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NEXT ISSUES

EVERY SATURDAY AND WEDNESDAY DURING THE MONTH OF JULY

Jim Corbett

Interview #184: Bob Chapman

<http://www.corbettreport.com/mp3/2010-06-25%20Bob%20Chapman.mp3>

Episode #135: Know Your Toxins: Sodium Fluoride

http://www.corbettreport.com/mp3/episode135_fluoride.mp3

Video: The Meaning of "Austerity"

<http://www.youtube.com/watch?v=jUmQbf1AyA8>

US MARKETS

Last week the Dow fell 2.9%; S&P 3.6%; the Russell 2000 3.3% and the Nasdaq 100 fell 3.9%. These numbers should make for a lower opening on Monday. Banks fell 1.7%; broker/dealers 2.2%; cyclicals 3.5%; transports 4.3%; consumers 4.1%; utilities 4.3%; high tech 4.6%; semis 5.2%; Internets 4.2% and biotechs 1.7%. Gold was unchanged; the HUI fell 0.2% and the USDX fell 0.4% to 85.32.

Two-year T-bills fell 8 bps to 0.61%; the 10-year notes fell 11 bps 3.11% and the 10-year German bund fell 12 bps to 2.61%.

The Freddie Mac fixed rate 30-year mortgage fell 6 bps to 4.69%, the lowest rate since 1971. The 15's fell 7 bps to 4.13%. The one-year ARMs fell 5 bps to 3.77% and the 30-year jumbos fell 6 bps to 5.52%.

Fed credit rose \$6.3 billion, up \$108 billion YTD, or 10.1% and 16.6% YOY. Fed foreign holdings of Treasuries and Agency debt rose \$10.1 billion to a new record of \$3.090 trillion. Custody holdings for foreign central banks increased \$135 billion YTD, or 9.5% annualized and YOY \$326 billion, or 11.8%.

M2, narrow, money supply fell \$37.5 billion to \$8.564 trillion. It increased \$52 billion YTD and YOY 1.4%.

Total money market fund assets rose \$12 billion to \$2.818 trillion. YTD they have fallen \$476 billion, a one-year decline of \$891 billion, or 24%.

The Fed Chairman Ben Bernanke tells us the American recovery is struggling because of European austerity. Does he really expect us to believe that? There is no question austerity in Europe will lead to a deflationary depression. Unemployment will rise quickly, which means major cuts in government spending and lessened revenues. Beside the public those affected the most will be towns, cities and states, many of

which are on the edge of insolvency surprisingly even in Germany. The PIIGS unbelievably say their instability and debt is the result of the deflationary economic policies of the richer euro zone members. Germans and others are saving, agreeing to low salaries, producing more and not increasing debt. On the other hand the PIIGS and others were headed in the other direction. This is why the euro is doomed. After destroying their economies with one interest rate fits all, they are quick to blame others. Then again the bankers should never have made the loans they did either. The result is deflationary depression, which is just getting underway. It is proper for Europe to use austerity, but it is a big mistake to raise taxes. That leaves little for the populace to spend to keep the economy going.

The US is determined to take the opposite tack. No austerity and full steam ahead. This in spite of the fact that the economy is faltering, especially in real estate, both residential and commercial. It is so bad that they have obscure government agencies buying mortgages. These new buyers plus Fannie, Freddie, Ginnie and FHA have been buying 95% of mortgages. Without massive stimulus and or Fed monetary expansion we will definitely see negative GDP growth in the last quarter of 2010. The indicators are in place and the tell tail signs of retrenchment abound. Wall Street is about to give up the ghost and see a test of the March 2009 lows. We are sure there will be rallies as the Fed unleashes trillions more in money and credit that as well will produce much higher inflation. This could produce \$5,000 or more gold and a 5,000-point Dow.

As you are now well aware Fannie and Freddie are going to punish people who have stopped paying their mortgages, who can pay them, and who are paying other bills instead. This leaves lenders with foreclosures and much more inventory than they ever imagined. This additional problem will bring on the double dip that Wall Street and Washington so fear. As a result of this and other failures we are about to experience the worst economic collapse since 1348. The stock market is topping out readying itself for its most disastrous fall in history. The fall will be followed by years of depression, all of which has been deliberately created to bring the world economically and financially to its knees in an attempt to bring about world government by Illuminists. Some market analysts understand where the market is headed, but most who do understand, write and talk about the mundane observable trappings and not what the situation is really all about. We have several analysts talking about a market collapse. They do not talk about the real forces behind our misfortune. We recently watched an interview of a man who wrote about the Bush family. His only admission was that they were players in the game controlled by other forces, which he refused to mention. He wouldn't say what they were up to and who they were. This shows you how terrified writers are who are confronted by the power of the Illuminists.

There are always these lone voices in the wilderness, which at best – some 15% of the populace – listens too. You had better listen this time because it could well cost you not only your assets, but your life, especially when another war is being prepared for you to engage in. Nothing is really as it seems to be and there are no coincidences. You are about to enter a world of chaos from which few will survive unscathed. A world of no banks, no public facilities, no food and rampaging gangs of desperate people. Unemployment of 50% and little law and order. Violence will be rife. This is not a pretty picture, but we have spared you the details. The world had better wake up fast so they'll be prepared to deal with what is to come. If you were not aware of it the dark side really exists. We also want to remind you that for more than 20 years we have been almost totally right, and we have made some stupendous calls.

We are now entering the next to last phase of our journey. The wanton creation of wealth, inflation and perhaps hyperinflation, which will rob you of your assets. A

stealth attack on what you have left by the people who control your government. Such monetary creation is the only way these people can keep the game going. They know it won't last, but they proceed anyway. For awhile they'll keep the multitudes at bay with extended unemployment and food stamps, but that will fade in time for lack of financial control, as the system begins to break down.

You already see all fiat currencies under fire, as is sovereign debt. Can it get any worse? Of course it can, and it will. Implosion is the word everyone is going to discover and understand. An event that cannot be hidden by zero interest rates and endless supplies of money and credit. That word implosion will describe what will happen as a result in the machinations of the Federal Reserve.

Now that you have seen a glimpse of your future we will move on to the deteriorating world that we now live in.

CNBC and the mainline media tells us all is well irrespective of a failing recovery, climbing unemployment, which has just recently been assisted by trillions of dollars in stimulus. The question is what comes next? More of the same, of course. There is no other avenue to pursue even though Mr. Bernanke knows such stimulus is not going to get the desired results. These players behind the scenes know history. They know what we know. They depend on 98% of the people not discovering what they and we know, and that is where this is all headed. The important people in Wall Street, banking, insurance and in transnational corporations know, but they are not about to tell you. The market doesn't like what it sees, but it knows it cannot do much about it.

Americans are fighting back as millions have not made mortgage payments for a year and are living for free in their homes. As an antidote Washington is now considering charging them rent, something they should have done four years ago. If you add in the disaster that is commercial real estate, personal and corporate debt, and sovereign debt, you have an insolvable problem that can only end in great grief. The choice to expose Greece's weaknesses from behind the scenes looks to be a fatal mistake. The elitists never envisioned the firestorm that the exposure has led too. Greece is about to explode, not because of the reduced socialist benefits, but because the people are finally realizing that they and others have been taken for a ride by the bankers and others behind the scenes and from within their own government. Discovery by the Greek people and others is not something the illuminists expected. They now are forced again to expedite their programs - when they have to do that they make mistakes, often-big mistakes, which gives us pursuers an advantage we could never hoped to have had. After their latest mistakes the bankers are scrambling to preserve the current system. It is not to be. There are far too many who now know what they are up too.

The next step for the elitists is to designate SDR's, Special Drawing Rights, as the new world currency. Needless to say, it won't have gold backing. The problem is they cannot implement it until they get worldwide carbon taxes to back up this new worthless currency. That is why BP, which is controlled by the Illuminists, had its false flag event in the Gulf of Mexico. This is the ruse to be used to pass such legislation in the US. The powers that be are desperate to find an alternative to the US dollar as a reserve currency because the US is broke. We might also direct you to the USDX, the dollar index, which is in the clutches of a long-term perfect head and shoulders, which is the most negative, powerful, technical formation achievable. Needless to say, this point has not been overlooked by the elitists. On the other hand as a result intelligent investors worldwide have been accumulating gold as an alternative, replacing the dollar as the world reserve currency. This is just as we said it would be in June of 2000. If you are not on board get onboard now before you are left at the station. More

and more people are entering into gold and silver assets as they discover that frauds being perpetuated against them by their governments. They are not going to trust the SDR even if 20 currencies are indexed and funds from carbon taxing back the currency. Investors already recognize the SDR as just another fiat currency. All they will be doing is replacing one worthless currency with another, without gold backing and it isn't going to fly. At the same time gold and silver will just move relentlessly higher. In addition what does the IMF do after all their gold is gone? They will be flat broke again. If you noticed, every time they sell gold the price goes higher. As a matter of fact some nations are buying gold and dumping dollars, so they are aware of what is going on. Some smaller nations are afraid to act. They know printing money is not the solution.

Europe is still struggling in an attempt to bailout the PIIGS, which if they take the loans they will live in financial bondage and depression for the next 30 years. We told the Greek people in a TV documentary last week to default, leave the euro, create the new drachma, lower taxes, make sure the rich pay their taxes, cut expenses in government by 30% and do not under any circumstances sell off any Greet assets, such as islands and utilities to foreign Illuminists for 20 cents on the dollar. The bankers created the money they lent out of thin air, so why should they be repaid. In addition they knew the risks and should have never made the loans in the first place. The Illuminist-Bilderberg PM should be impeached for trying to destroy the country.

There is talk of a new northern euro to replace the current unit. Such a unit would need gold backing. Germany asked for the return of their gold from the US about a year ago. As far as we know they haven't received it. The question then is, how do they back such a currency? France has sufficient gold, but they are in serious economic and financial trouble. We don't think a northern euro is viable. Denmark is mentioned as a partner, a country that twice has rejected the euro. They also have serious problems. If the 5 PIIGS default how much bad debt will these nations be stuck with - \$1 trillion or \$2 trillion? That certainly is a salient factor in any new currency decision, and it is very possible default could become reality. Deficit reduction and austerity are not solutions without tax cuts. That is unless you want years and years of recession/depression. The public has to have money to spend to keep economies going. That isn't a purge, but it is as close as you are going to get for the present.

Just headlines: "the audit board violates constitution, Supreme Court finds." As Reuters explains: "At stake in the case is how corporate America is audited and a key provision of the Sarbanes-Oxley corporate reform law adopted in 2002 in response to the Enron and WorldCom accounting scandals. If the Supreme Court strikes down the board, the ruling will put pressure on Congress to revisit the law, opening it up for potential changes in the reporting duties of companies." Then again, who even pretends we have remotely credible filings anymore? With FASB indefinitely locked in the basement and companies allowed to report their numbers on a mark-to-unicorn basis, it is all lies anyway.

Legislation to overhaul financial regulation will help curb risk-taking and boost capital buffers. What it won't do is fundamentally reshape Wall Street's biggest banks or prevent another crisis, analysts said. A deal reached by members of a House and Senate conference early this morning diluted provisions from the tougher Senate bill, limiting rather than prohibiting the ability of federally insured banks to trade derivatives and invest in hedge funds or private equity funds. Banks 'dodged a bullet,' said Raj Date, executive director for Cambridge Winter Inc.'s center for financial institutions policy. The overhaul, which still requires approval from the full Congress, won't shrink banks deemed 'too big to fail,' leaving largely intact a U.S. financial industry dominated by six companies with a combined \$9.4 trillion of assets. The changes also do little to

solve the danger posed by leveraged companies reliant on fickle markets for funding, which can evaporate in a panic like the one that spread in late 2008.

Fannie Mae will temporarily deny new loans to borrowers who deliberately default and walk away from their homes. Borrowers who have the means to make mortgage payments and don't work with lenders to restructure loans will be banned from obtaining new mortgages backed by Fannie Mae for seven years from the date of foreclosure, the company said. Fannie Mae, along with Freddie Mac, own or guarantee more than half of the \$10.7 trillion U.S. mortgage market.

Californians don't see much evidence that the worst economic contraction since the Great Depression is coming to an end. Unemployment was 12.4% in May. Lawmakers gridlocked over how to close a \$19 billion budget gap are weighing the termination of the main welfare program for 1.3 million poor families or borrowing more than \$9 billion in the bond market. Far from rebounding, the Golden State, with a \$1.8 trillion economy that's larger than Russia's, is sinking deeper into its financial funk. And it's not alone. Even as the U.S. appears to be on the mend, finances in Arizona, Illinois, New Jersey, New York and other states show few signs of improvement. Forty-six states face budget shortfalls that add up to \$112 billion for the fiscal year ending next June, according to the Center on Budget and Policy Priorities. 'States are going to have to cut back spending and raise taxes the same way Greece and Spain are,' says Dean Baker, co-director of the Center for Economic and Policy Research.

May personal income rose 0.4%, the PCE price deflator rose 1.9% and April personal income was revised to 0.5% from 0.4%. Spending rose 0.2%, real disposable income rose 0.5% and savings rose to 4%.

The Chicago Fed Activity Index was 0.21, down from April's 0.25 and way down from 0.32 expert estimates.

The June Dollar Fed Manufacturing Index was minus 4%, down from May's 2.9% and a 3.2% expert estimate.

The Friday Night FDIC Follies made a repeat when three more banks closed to total 86 YTD. We could get close to 100 by the end of the year.

Fannie Mae and Freddie Mac, the housing-finance companies supported by U.S. taxpayers, should take advantage of demand for government-backed mortgage debt and sell their holdings, according to Pacific Investment Management Co.

"Since the government's going to want to unwind them at some point anyway, why not do it at the best levels ever?" Scott Simon, the mortgage-bond head at Newport Beach, California-based Pimco, manager of the world's biggest fixed-income fund, said in a telephone interview. "It's good for taxpayers, good for stakeholders, good for everybody."

The average price of the \$5.2 trillion of so-called agency mortgage bonds guaranteed by Fannie Mae and Freddie Mac or federal agency Ginnie Mae rose last week to an all-time high of 106.3 cents on the dollar, according to Bank of America Merrill Lynch's Mortgage Master Index. The Federal Reserve said today it would replace its contracts to take delivery of certain bonds with other debt, reflecting a lack of supply in the market.

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the ability of federally insured banks to trade derivatives and invest in hedge funds or private equity funds.

Banks "dodged a bullet," said Raj Date, executive director for Cambridge Winter Inc.'s center for financial institutions policy and a former Deutsche Bank AG executive. "This has to be a net positive."

Hashed out almost two years after the worst financial crisis since the Great Depression, the legislation shepherded by Senate Banking Committee Chairman Christopher Dodd and House Financial Services Chairman Barney Frank places limits on potentially risky activities such as proprietary trading or over-the-counter derivatives and gives regulators new powers to seize and wind down large, complex institutions if needed.

For the last several months, Princeton professor Paul Krugman has become increasingly agitated about what he feels is a disastrous mistake in the making -- a sudden global obsession with "austerity" that will lead to spending cuts in many nations in Europe and, possibly, the United States.

Krugman believes that this is exactly the same mistake we made in 1937, when the country was beginning to emerge from the Great Depression. A sudden focus on austerity in 1937, it is widely believed, halted four years of strong growth and plunged the country back into recession, sending the unemployment rate soaring again. In Krugman's view, the world should keep spending now, to offset the pain of the recession and high unemployment--and then start cutting back as soon as the economy is robustly healthy again.

Those concerned about the world's massive debt and deficits, however, have seized control of the public debate, and are scaring the world's governments into cutting back.

Californians don't see much evidence that the worst economic contraction since the Great Depression is coming to an end.

Unemployment was 12.4 percent in May, 2.7 percentage points higher than the national rate. Lawmakers gridlocked over how to close a \$19 billion budget gap are weighing the termination of the main welfare program for 1.3 million poor families or borrowing more than \$9 billion in the bond market. California, tied with Illinois for the lowest credit rating of any state, is diverting a rising portion of tax revenue to service debt, Bloomberg Markets magazine reports in its August issue.

Far from rebounding, the Golden State, with a \$1.8 trillion economy that's larger than Russia's, is sinking deeper into its financial funk. And it's not alone. Even as the U.S. appears to be on the mend gross domestic product has climbed three straight quarters -- finances in Arizona, Illinois, New Jersey, New York and other states show few signs of improvement. Forty-six states face budget shortfalls that add up to \$112 billion for the fiscal year ending next June, according to the Center on Budget and Policy Priorities, a Washington research institution. State spending is 12 percent of U.S. GDP.

Louisiana Economic Development Secretary Stephen Moret sent a letter to SBA Administrator Karen Mills complaining that the SBA is using its normal loan approval processes even though the circumstances are extraordinary, and that the agency is turning down far too many Louisiana businesses because of "credit concerns" or because they can't prove they'll be able to repay quickly.

Moret wrote that hundreds of the 21,000 claims filed with BP for losses due to the oil spill come from struggling small businesses, and most of them need the SBA loans to carry them through until they receive payment from BP. But, he noted in the letter, SBA has informed him that 70 percent of those applicants have been denied.

Moret wrote that his office has been trying to work with SBA officials and was told that the federal agency could change its usual policy to soften underwriting guidelines and to consider the promise of future BP payments "in lieu of SBA's normal process for assessing credit history and repayment ability."

But that apparently hasn't happened. Moret noted that a similar process was used by SBA to help businesses after the Exxon Valdez tanker spill in Alaska in 1989. SBA Assistant Secretary Jonathan Swain told The Times-Picayune that his agency typically approves more disaster loans as it goes along, and with a 30 percent approval rate now, SBA is already approaching its five-year average of 35 percent.

Uninspiring consumer income and spending data have pushed US stock futures ever so slightly into the red, as uneasiness over the US economic recovery lingers in the minds of investors. With less than 30 minutes before opening bell on Wall Street, all leading indices are nearly flat with the DOW off 0.06%.

Market sentiment remains fragile despite the weekend pledge by G20 leaders to reduce national deficits and debt. While waning off stimulus spending is looked upon highly by the investors, the fragility of the economic recovery is in the front of everyone's mind with fresh austerity measures possible interfering with positive growth prospects. And as lackluster data continues to pour in from the US, investors are now questioning the durability and pace of the recovery in the world's largest economy with whispers of a double dip recession being heard more and more often.

Eight individuals were arrested Sunday for allegedly carrying out long-term, "deep-cover" assignments in the United States on behalf of the Russia, the Justice Department announced today. Two additional defendants were also arrested Sunday for allegedly participating in the same Russian intelligence program within the United States. Some of the Russians adopted Irish names in their spy work, including using the names Murphy and Foley.

Information they were seeking was pretty broad based but it included at least one report about gold. Moscow relayed back to the spies that the gold report was "very valuable" and reported that it was passed on to Russia's finance minister. Also, according to the complaint, one spy, "Cynthia Murphy," was developing a relationship with a prominent New York financier. The financier is apparently a big political money raiser and has a close friend in the Cabinet.

The most interesting question is, of course, what kind of information could the spies have turned over about gold that Moscow deemed as "very valuable"? And let the guessing game begin as to who the "prominent New York financier" is.

It should also be noted that this decade long investigation was publicly revealed just days after Obama and Russian President Medvedev shared hamburgers together.

Gulf state emergency preparedness agencies confirm mass evacuation plans

A well-placed source in California told WMR that the California Emergency Management Agency (CEMA) has been briefed by its counterpart agencies in the Gulf

coast states that there are plans to conduct a mass evacuation of millions of Gulf coast residents due to the catastrophic environmental and public health effects of the BP oil disaster.

CEMA officials have been briefed on the planned evacuations by counterparts in the Louisiana Governor's Office of Homeland Security and Emergency Preparedness, the Alabama Emergency Management Agency, the Mississippi Emergency Management Agency, and the Florida Division of Emergency Management.

The Gulf states' emergency planners stressed to their California counterparts that they are dealing with a disaster of unprecedented proportions and that contingency plans are being constantly updated and revised on ways to deal with the transformation of the Gulf of Mexico into a deadly "toxic soup" of oil and Corexit 9500 oil dispersants and the atmosphere into a dangerous mixture of hydrocarbon gases. CEMA was briefed on the impending mass evacuation since California would be expected to absorb a large number of evacuees from the Gulf states. CEMA officials did not say how the state of California, which is virtually bankrupt, would pay for the influx of hundreds of thousands and perhaps greater numbers of evacuees from the Gulf coastal region.

The Senate Committee on Homeland Security and Governmental Affairs has approved a cybersecurity bill, Protecting Cyberspace as a National Asset Act (PCNAA), that would give the president far-reaching authority over the Internet in the case of emergency.

As The Hill explains, the bill, sponsored by Sens. Joe Lieberman, Susan Collins, and Tom Carper, would give the president "emergency authority to shut down private sector or government networks in the event of a cyber attack capable of causing massive damage or loss of life." The original bill granted the president the authority to "indefinitely" shut down networks, but an amendment to the PCNAA, approved yesterday, mandates that the president "get Congressional approval after controlling a network for 120 days."

The authority granted to the government in the bill has been likened to an Internet "kill switch."

Collins noted that she takes issue with the "kill switch" term. The Hill writes, "It's been frustrating to read some of the misrepresentations of our bill in the cybersphere," Collins said, arguing the new bill actually circumscribes the president's existing authority and puts controls on its use. "I believe the substitute amendment we're offering strengthens those protections even more."

As we wrote here, the bill would also see the creation of a new agency within the Department of Homeland Security, the National Center for Cybersecurity and Communications (NCCC). Any private company reliant on "the Internet, the telephone system, or any other component of the U.S. 'information infrastructure'" would be "subject to command" by the NCCC, and some would be required to engage in "information sharing" with the agency, says CBS4.

The bill will soon head to the Senate for a vote.

VOTE OUT incumbent senators and congressmen in the 2010 and the 2012 elections

For the first time in history, Congress isn't allowing an increase in the social

security COLA (cost of living adjustment).

In fact, the Henry J. Kaiser Family Foundation predicts there may not be any COLA for the next three years. However, the per person monthly Medicare Insurance premium will be increased from the 2009 premium of \$96.40 to \$104.20 in 2010 and to \$ 120.20 for the year 2011.

DISABLED VETS DID NOT GET ANY COLA EITHER!

Let's send this to all seniors that you know--remind them not to vote for ANY incumbent senators and congressmen in the 2010 and the 2012 elections.

And don't forget - CONGRESS RECENTLY GAVE THEMSELVES A HEFTY PAY RAISE. So who is watching out for you? Not Congress. Not Washington.

Did you know...all real estate transactions are now subject to a 3.8% Sales Tax???

Under the new health care bill - did you know that all real estate transactions are now subject to a 3.8% Sales Tax? The bulk of these new taxes don't kick in until 2013 (presumably after Obama's re-election). You can thank Nancy, Harry and Barack and your local Democrat Congressman for this one. If you sell your \$400,000 home, there will be a \$15,200 tax. This bill is set to screw the retiring generation who often downsize their homes.

Is this "Hope & Change" great or what?

We can vote the bums out in November and demand that they eliminate the bill or at the very least defund it.
Then in 2012 repeal it.

A critical bill that was unable to pass this past week was the extension of unemployment benefits to millions of Americans currently collecting a \$1,200 average monthly stipend from the US government for sitting on their couch and not paying their mortgage. As a result of this huge hit to endless governmental spending of future unearned money. A total of 1.3 million unemployed Americans will have lost their assistance by the end of this week." Furthermore, the cumulative number of people whose extended benefits are set to run out absent this extension, will reach 2 million in two weeks, and continue rising: as a reminder the DOL reported over 5.2 million Americans currently on Extended Benefits and EUC (Tier 1-4). The net result is yet another hit to the US ledger, as soon 2 million Americans will no longer recycle \$1,200 per month into the economy. In other words, beginning in July, there will be \$2.4 billion less spent each month by America's jobless on such necessities as LCD TVs (that critical 4th one for the shoe closet), iPads and cool looking iPhones that have cool gizmos but refuse to hold a conversation the second the phone is touched the "wrong" way. As the number of jobless whose benefits expire grows, the full impact of lost money will progressively increase, and absent some last minute compromise, the monthly loss will promptly hit \$5 billion per month. Annualized this is a hit of \$60 billion to "consumption", and represents roughly 120 million iPads *not* purchased, and about half a percentage point of GDP (ignoring various downstream multiplier effects). **Worst of all, as these people surge back into the labor force, the unemployment rate is about to spike by nearly 1%, up to 10.5%.**

This note is from fellow writer and journalist John Ryskamp. Where does AEP get his information? He's rather behind the curve. I said in 9/09 that there would be a \$2.8 trillion additional "stimulus" in February 2010; it seems I was off by three months, but I don't think so. I think it was discussed at the Fed beginning in

September 09 and decided in February 2010. We'll see what the documents show--if we live long enough!

Also I don't think the "whisper number" of \$5 trillion QE is accurate. I think it is \$19 trillion.

Also, his confidence in this device is misplaced. It will not stop the shrinkage of the money supply. The decline in economic activity is causing this, and QE is never designed to stop shrinkage of the money supply. Remember that every device of Keynes had one goal: to stabilize the financial system. I think this is why Sraffa distanced himself so much from Keynes--Keynes' understanding of the on-the-ground economy was the Marshallian forest, in which one cannot see for the trees.

Finally, note where the resistance to any further stimulus is coming from. To say it is "from the south" is to slap a label on the underlying reality. The opposition is coming from power. Meaning? Meaning that southern states are owned--lock, stock and barrel--by very few families. They are the arch-liquidationists.

For example, in Kentucky it is the six families. They were the first white settlers, they own all the banks, the land, the businesses, the media--the trust companies!! This is also true of the five families of Hawaii, the first missionaries--they came to good, and did very well indeed! They own the entire state. Note that Hawaii is, to everyone's amazement, going Republican. This is because the underclass is being successfully ground out of the political system.

There are also "micro-oligarchies" all over the U.S., and this is where local opposition to further stimulus is coming from. San Francisco is a very good example. You can't go 3 levels up in trying to raise venture capital, without encountering the same investment managers, the same trust officers, the same banks.

In short, America is organized crime, one big Ponzi scheme (who knew?). And hey, as long as the money is flowing (and it flowed for 60 years!), no one asks any questions. But let's face it. In an economic collapse, the sides square off. If you and a few friends owned half the physical territory of Kentucky and you looked at what is going on in America, you would conclude: put an electrified fence around what is mine. And that's just what they are doing. Prepare your list of names.

Sen. Christopher J. Dodd (D-Conn.), chairman of the Senate Banking Committee: "No one will know until this is actually in place how it works. But we believe we've done something that has been needed for a long time. It took a crisis to bring us to the point where we could actually get this job done."

Legislation to overhaul financial regulation will help curb risk-taking and boost capital buffers. What it won't do is fundamentally reshape Wall Street's biggest banks or prevent another crisis, analysts said. The overhaul won't shrink banks deemed "too big to fail." The changes also do little to solve the danger posed by leveraged companies reliant on fickle markets for funding, which can evaporate in a panic like the one that spread in late 2008.

After President Obama signs it into law, the nation's financial industry will still be dominated by a handful of institutions that are too large, too interconnected and too politically powerful to be allowed to go bankrupt if they make unwise decisions or make huge wrong-way bets.

Speaking of large and politically connected entities, Dodd-Frank does nothing about Fannie Mae and Freddie Mac, the \$6.5 trillion mortgage finance behemoths that have been wards of the state for almost two years

President Barack Obama's efforts to win final approval of a historic financial regulatory reform bill looked more complicated on Saturday after a Republican senator threatened to oppose it.

"I was surprised and extremely disappointed to hear that \$18 billion in new assessments and fees were added in the wee hours of the morning by the conference committee," Massachusetts Senator Scott Brown said., "While I'm still reviewing the bill's details, these provisions were not in the Senate version of the bill which I previously supported., I've said repeatedly that I cannot support any bill that raises tax," Brown said.

President Barack Obama, fresh from a win on a sweeping overhaul of Wall Street regulations, on Saturday urged Congress to take up his proposal for a \$90 billion, 10-year tax on banks as the next step in reform.

Typical big-government legerdemain grant privileges to the elites plus give them various 'inside deals' but to assuage public opprobrium at the blatant favoritism, turn around and tax the elites. This is why government is so inefficient at best and normally destructive. The details of the GDP for Q1 show a much uglier picture than the disappointing headline number.

Inventories accounted for 1.88 percentage points, or 69% of Q1 GDP growth. Real final sales increased only 1.6% instead of the previously reported 2%. Business spending increased only 2.2% instead of 3.1%. Software and equipment investment was revised lower to 11.4% from 12.7%.

Were the large changes made late in the process due to early attempts to conceal something? It boggles one's mind that so many people trade and invest based on preliminary government statistics because the beancounters admit that they do not have complete data and must guess. And even with 'good' data, the beancounters construct inaccurate final data! John Williams on GDI (Gross Domestic Income): The Gross Domestic Income (GDI) underwent a massive upward revision from its initial estimate, reflecting an upwardly revised surge in reported corporate profits. The national income account estimates of corporate profits are so heavily massaged and modeled that they rarely reflect real world activity. The second estimate of GDI for first-quarter 2010 showed annualized real growth of 4.18%, revised from an initial estimate of 2.89%, and versus a fourth-quarter growth rate of 5.21%. Year-to-year change was 2.21% in the first-quarter, revised from initial reporting of 1.89%, versus a 0.84% annual contraction in the fourth-quarter.

The woeful Q1 GDP refutes those that herald ISM and similar survey strength. As we kept harping, these surveys were perverted by 'survivor bias'. Busted firms were not in the surveys.

David Cameron British PM, has called on leading countries to follow Britain's example by taking "unpopular decisions on tax and spending" to cut their deficits, exposing rifts in national policy ahead of this weekend's critical G20 summit.

The Keynesian Dead End Spending our way to prosperity is going out of style. Today's G-20 meeting has been advertised as a showdown between the U.S. and Europe over more spending "stimulus," and so it is. But the larger story is the end

of the neo-Keynesian economic moment and perhaps the start of a healthier policy turn.

President Obama's tragic mistake was to blow out the U.S. federal balance sheet on spending that has produced little bang for the buck. The fantastical Keynesian notion (the "multiplier") that \$1 of spending produces \$1.50 in growth was long ago demolished by Harvard's Robert Barro, among others. That \$1 in spending has to come from somewhere, which means in taxes or borrowing from productive parts of the private economy. Given that so much of the U.S. stimulus went for transfer payments such as Medicaid and unemployment insurance, the "multiplier" has almost certainly been negative.

States of Crisis for 46 Governments Facing Greek-Style Deficits "States are going to have to cut back spending and raise taxes the same way Greece and Spain are" says Dean Baker, co director of the Center for Economic and Policy Research in Washington. "That runs counter to stimulating the economy and will put a big damper on the recovery in the latter half of this year." State budget woes are a worsening drag on growth as the federal government tries to wean the economy from two years of extraordinary support. By Jan. 1, funds from the \$787 billion federal stimulus bill will dry up money from Washington has helped cushion state budgets as tax revenue has plunged. State leaders won't be able to ride out this cycle the way they have in the past. The budget holes are too large. For the first time since 1962, sales and income tax revenue fell for five straight quarters, through December 2009, according to the Nelson A. Rockefeller Institute of Government at the State University of New York at Albany "States don't have a choice anymore," Whitman says. "These problems are going to require major surgery."

Israel is massing warplanes in the Caucasus for an attack on Iran, it was revealed yesterday. Preparations are underway to launch the military attack from Azerbaijan and Georgia, reports our sister paper Akhbar Al Khaleej, quoting military sources.

Meanwhile, Iran's Press TV reported that a very large contingent of US ground forces had massed in Azerbaijan, near the Iranian border. The independent Azerbaijani news website Trend confirmed the report. Those reports came just days after the Pentagon confirmed that an unusually large fleet of US warships had indeed passed through Egypt's Suez Canal en route to the Gulf. At least one Israeli warship reportedly joined the American armada

Starts to stall in the US and Europe with echoes of mid-1931, bond experts are once again dusting off a speech by Ben Bernanke given eight years ago as a freshman governor at the Federal Reserve.

Entitled "Deflation: Making Sure It Doesn't Happen Here", it is a warfare manual for defeating economic slumps by use of extreme monetary stimulus once interest rates have dropped to zero, and implicitly once governments have spent themselves to near bankruptcy.

The speech is best known for its irreverent one-liner: "The US government has a technology, called a printing press, that allows it to produce as many US dollars as it wishes at essentially no cost."

Andrew Roberts, credit chief at RBS, is advising clients to read the Bernanke text very closely because soon going to have to pull the lever on "monster" quantitative easing (QE)"

Vice-President Joe Biden, campaigning in the Milwaukee area with Democrat Sen. Russ Feingold stopped at Kopp's Frozen Custard. When Biden asked the manager, "What do I owe you?" The manager retorted, "Lower our taxes and we'll call it even." Biden jokingly called the manager a "smart-ass."

Private wage and salary disbursements increased \$22.8 billion in May, compared with an increase of \$28.5 billion in April...Government wage and salary disbursements increased \$6.6 billion in May, compared with an increase of \$2.5 billion in April. Census decennial temporary and intermittent workers boosted government wages and salaries by \$5.7 billion in May.

We don't believe the BEA personal income data because IRS tax data shows a decrease for May; and **it is an estimate** – just like GDP – and we all know how accurate government estimates are. Even if one believes the data, US personal income ex-transfer payments is still putrid.

Most pundits, economists and talking heads don't know that the BEA uses BLS & Census Bureau data to calculate personal income. Now, most reasonable people realize that the May NFP, due to Birth/Death Model chicanery, sampling, temp jobs, etc. is not an accurate account of US jobs.

So how can personal income data be accurate when it uses the faulty BLS data? (PS – We called the BEA to verify that they still use BLS and Census Bureau data to guesstimate personal income.)

A new United Nations report released on Tuesday calls for abandoning the U.S. dollar as the main global reserve currency, saying it has been unable to safeguard value.

"The dollar has proved not to be a stable store of value, which is a requisite for a stable reserve currency," the U.N. World Economic and Social Survey 2010 said.

The report says that developing countries have been hit by the loss of value of the U.S. dollar in recent years.

"Motivated in part by needs for self-insurance against volatility in commodity markets and capital flows, many developing countries accumulated vast amounts of such (U.S. dollar) reserves during the 2000s," it said.

The report supports replacing the dollar with the International Monetary Fund's special drawing rights (SDRs), an international reserve asset that is used as a unit of payment on IMF loans and is made up of a basket of currencies.

"A new global reserve system could be created, one that no longer relies on the United States dollar as the single major reserve currency," the U.N. report said.

It said a new reserve system "must not be based on a single currency or even multiple national currencies but, instead, should permit the emission of international liquidity (such as SDRs) to create a more stable global financial system."

"Such emissions of international liquidity could also underpin the financing of investment in long-term sustainable development," it said.

Nobel Prize winner Joseph Stiglitz, who previously chaired a U.N. expert commission that considered ways of overhauling the global financial system, is among the economists who have advocated the creation of a new reserve currency system, possibly based on SDRs. [Another fiat currency backed by other fiat currencies.]

Permabulls are trying to make the case that there will be no double dip

recession because econometric models show no chance of a recession due to next-to-zero interest rates and Fed largesse.

Perhaps the permabulls show run those models on Japan to see if they worked there. The current US environment of exhausted monetarism and Keynesianism is the same environment that Japan has experienced for the last two decades.

The Bank for International Settlements has warned authorities across the developed world that they cannot rely on ultra-low interest rates to cushion the blow of austerity measures.

There are limits to how long monetary policy can remain expansionary. Keeping interest rates near zero for too long, with abundant liquidity, leads to distortions and creates risks for financial stability. We cannot wait for the resumption of strong growth to begin the process of policy correction.

Yet the BIS has clearly concluded that it is better for indebted economies to take their punishment early rather than dragging out the ordeal as in Japan.

On the spending side, the bank called for "immediate front-loaded fiscal consolidation" in key industrial states. "Public debt-to-GDP ratios are on unsustainable trajectories," rising from 76pc of GDP in 2007 to 100pc in 2011. The picture is worse than it looks since the crisis has "permanently" reduced output, and aging costs are soaring.

Last week's Capitol Hill compromise on financial regulation was meant to end months of wrangling. But Republican Scott Brown's wavering and Democrat Robert Byrd's death put the proposal back in jeopardy

Senator Russell Feingold said on Monday that he will not vote to advance the financial-reform bill, denying his fellow Democrats the 60th vote they need to clear a final hurdle in Congress.

In 1999, only 8 senators voted Nay on the Glass Steagall-repealing proposition S.900, better known as the Gramm Leach Bliley, that nearly destroyed the financial system as we know it and elevated moral hazard to the pedestal of supreme American communist-capitalism. Out of the 100 corrupt statesmen 11 years ago, these are the only 8 people who deserve to be in the Senate currently (where, oddly, we find such Yay-voters as Carl who recently was browbeating Goldman Sachs for doing precisely what his legislation allowed it to do). One of the 8 was Senator Russ Feingold. Tonight, the Senator once again has the guts to stand up against the latest and greatest failure of a "reform" bill - the mutated and malevolent Frank-Dodd love child known as the Fin Reg "reform" which is nothing but a farce with lipstick on it. Feingold "said on Monday that he will not vote to advance the financial-reform bill." With this decision the senator is denying "his fellow Democrats the 60th vote they need to clear a final hurdle in Congress."

"My test for the financial regulatory reform bill is whether it will prevent another crisis," Feingold said in a prepared statement. The bill "fails that test and for that reason I will not vote to advance it."

Senator, we salute you for standing up for what is right.

It's not just Scott Brown. Now Susan Collins (R-ME) is saying she may not be able to vote for The Dodd-Frank Act, as a result of the new bank levies that were announced added in during last Friday's early-morning deal making.

Suddenly, this is looking like a situation where nobody wants to be the 60th vote, and beyond that, the GOP is feeling that the President is toxic enough, such that they're willing to "side with Wall Street" and oppose him.

Between Sens. Brown and Collins, and the passing of Robert Byrd, suddenly

this goal of having a bill on the President's desk by July 4th feels like a longshot, at least at this moment.

U.S. consumers are increasingly worried about jobs and the economy, the Conference Board said Tuesday, as it reported that its consumer confidence index plummeted to 52.9 in June - the lowest level since March -- from a downwardly revised 62.7 in May. "Increasing uncertainty and apprehension about the future state of the economy and labor market, no doubt a result of the recent slowdown in job growth, are the primary reasons for the sharp reversal in confidence," said Lynn Franco, director of Conference Board's consumer research center. "Until the pace of job growth picks up, consumer confidence is not likely to pick up." Earlier this month the government reported that nonfarm payrolls grew by a seasonally adjusted 431,000 in May, but most of the new jobs were temporary jobs at the U.S. Census, with very weak private-sector hiring.

Confidence among U.S. consumers declined in June more than forecast as Americans became pessimistic about the outlook for the labor market and the economy.

The Conference Board's confidence index slumped to 52.9 this month from a revised 62.7 in May, figures from the New York-based private research group showed today. The median forecast called for a decline to 62.5, and the gauge was lower than all projections in a Bloomberg News survey of 71 economists.

Job growth that may be slow in bringing down the unemployment rate and declining stock prices tied to Europe's debt crisis threaten to restrain consumer spending. The lack of stronger gains in the biggest part of the economy reinforces the Federal Reserve's forecast for a "moderate" recovery.

"Households remain worried about the economy," Steven Wood, president of Insight Economics LLC in Danville, California, said before the report. "It is unlikely that sentiment will improve to truly optimistic levels until robust job creation returns and home prices stabilize."

Stocks extended losses and Treasury securities rose after the report. The Standard & Poor's 500 Index fell 2.4 percent to 1,048.77 at 10:04 a.m. in New York. The 10-year Treasury note rose, pushing down the yield to 2.97 percent from 3.02 percent late yesterday.

Today's report runs counter to the final reading of the Thomson Reuters/University of Michigan index, which showed its confidence level rose to 76 this month from 73.6 in May.

Home prices in 20 U.S. cities rose in April from a year earlier as sales got a boost from a tax credit aimed at reviving the industry that triggered the worst recession since the 1930s. The S&P/Case-Shiller index of property values climbed 3.8 percent from April 2009, the biggest year-over-year gain since September 2006, the group said today in New York. The increase exceeded the median forecast of economists surveyed by Bloomberg News.

The end of a government homebuyer incentive worth as much as \$8,000, mounting foreclosures and unemployment near a 26-year high threaten to set real estate prices back following the stabilization that began earlier this year. Eroding home equity may limit household spending, the biggest part of the economy, even as gains in income help underpin demand.

"It's just a transitory bounce reflecting the flurry of activity before the expiration of the homebuyer tax credit," said John Herrmann, senior fixed-income strategist at

State Street Global Markets LLC in Boston. "As the tax credit is unwound and sales are plunging, the pricing environment is once again weakening."

Consumer confidence in June sank more than forecast as Americans grew concerned over the outlook for jobs and incomes, another report today showed. The New York-based Conference Board, a private research group, said its sentiment index dropped to 52.9 this month from 62.7 in May.

Treasuries rose, pushing two-year note yields to a record low, on evidence of a slowing global economic recovery and the expiration of a European Central Bank lending facility. Ten-year note yields dropped below 3 percent for the first time in more than a year as U.S. consumer confidence fell this month more than economists forecast and an index of China's leading economic indicators had its smallest gain in April in five months. U.S. government bonds were headed for their best quarter since the 2008 financial crisis.

"Bonds are saying this economy is getting bad," said Michael Franzese, managing director and head of Treasury trading at Wunderlich Securities Inc. in New York. "People are going across the curve. They are buying for yield and capital preservation." The yield on the two-year note fell two basis points, or 0.02 percentage point, to 0.61 percent at 2:12 p.m. in New York, according to BGCantor Market Data. The price of the 0.625 percent security maturing in June 2012 increased 1/32, or 31 cents per \$1,000 face amount, to 100 1/32.

The two-year note's yield slid earlier to the all-time low of 0.5857 percent. The previous record of 0.6044 percent was set Dec. 17, 2008, after the Fed cut its target rate for overnight lending between banks to a range of zero to 0.25 percent.

More than half of commercial mortgages bundled and sold as bonds have been unable to pay off maturing debt this year even as the availability of financing increases, according to Bank of America Corp. Between 50 percent and 60 percent of loans on skyscrapers, hotels, shopping malls and apartment complexes failed to refinance within a few months of their maturity date this year, Bank of America Merrill Lynch analysts said in a report. That compares with 15 percent to 20 percent in 2008, according to the analysts led by Roger Lehman in New York. About \$11 billion in loans, or one-third of the 2010 total, had hit their expected maturity dates through late May. The amount of capital available to commercial property owners has improved dramatically over the past year, though it still falls short, according to the report. "The level of financing is not where it was, or even where it needs to be for a full commercial real estate market recovery," the analysts said. The biggest factor in whether a loan is able to pay off when it comes due is which year it was taken out, as loans written prior to the boom are more conservative. About 64 percent of loans originated in 2004 paid off, compared with 33 percent of those originated in 2005, the analysts said. A large number of loans with five-year terms taken out as property values soared and underwriting standards plummeted will come due during the next two years. More than \$60 billion of the debt matures in 2011 and \$80 billion in 2012, according to Bank of America.

The percentage of corporate bonds considered in distress is at the highest in six months, a sign debt investors expect the economy to slow and defaults to rise. The number of speculative-grade companies worldwide with yields at least 10 percentage points more than government bonds climbed to 399 this month, or 16.7 percent of the total, the highest share since December, according to Bank of America Merrill Lynch index data. The ratio compares with 9.2 percent on April 30, which was the lowest since November 2007. Junk bond sales slumped to a 15-month low in June

amid concern government efforts to control spiraling budget deficits will hamper global growth and drive up borrowing costs for the neediest borrowers. The 2010 default rate in the U.S. may jump as high as 6 percent by year-end from 1.3 percent now, according to analysts at Goldman Sachs Group Inc. Elsewhere in credit markets, the extra yield investors demand to own corporate bonds rather than government debt is poised to widen the most this quarter since 2008, prices of leveraged loans are set to fall, emerging market debt spreads are headed for their first quarterly increase since the final three months of 2008 and asset-backed debt sales are slowing.

The continuing saga of Pat Kiley & Trevor Cook

This Article from StarTribune.com

Fallout from Cook's Ponzi scheme widens

DAN BROWNING, Star Tribune

The financial pain emanating from the collapsed \$190 million currency investment scheme run by Minneapolis money manager Trevor Cook continues to spread beyond the investors.

Two law firms hired by former Cook partner Jason (Bo) Beckman filed lawsuits against him in Hennepin County District Court this month, seeking more than \$562,000 for unpaid legal bills they say he personally guaranteed.

Meantime, L. Edward Baker, a former president of Piper Jaffray Trust and founder of the Twin Cities financial services firms Mesa Holdings and Baker Capital, has filed for Chapter 7 bankruptcy protection, listing a \$3.8 million debt to the receivership that has been rounding up assets from Cook's mammoth Ponzi scheme.

Beckman, 40, of Plymouth, runs the Oxford Private Client Group, an investment advisory firm in Wayzata. He's a former partner of Cook's in a firm called Oxford Global Advisors, and they both had offices in the historic Van Dusen mansion in Minneapolis.

Beckman is primarily an equities specialist, but he also was paid for referring some of his clients into the currency investment promoted by Cook. Beckman hired the Minneapolis law firms Greene Espel and Kelly & Berens last summer as Cook's Ponzi scheme collapsed in the wake of an investor lawsuit.

Cook has pleaded guilty to federal fraud and tax charges arising from the scheme and is scheduled for sentencing July 26.

Greene Espel says in its lawsuit that it agreed to represent Beckman, his wife, Hollie, and his advisory firm in any criminal or civil litigation related to the currency investment strategy.

The legal services contract shows that Beckman paid \$150,000 as an initial retainer. The suit says he has since stuck the firm with "more than \$500,000 in unpaid fees and expenses" after exhausting the money in the trust account.

Beckman hired Kelly & Berens to represent Oxford Global Advisors in the investor lawsuit. The firm submitted billings of \$80,988 and was reimbursed \$18,704 out of receivership funds for work it did to secure the Van Dusen mansion, leaving an unpaid balance of \$62,284, the suit says.

W. Patrick Judge, Beckman's latest attorney, said Friday that his client is "trying to work through" his legal problems. He declined further comment.

Baker, 63, of Excelsior, was launching a network of independent financial advisers through his Mesa Holdings firm when he hooked up with Cook and began promoting his currency investment strategy in a private placement product called G5 Currency Funds.

R.J. Zayed, the court-appointed receiver rounding up Cook's assets, has been trying for months to recover the money that Cook invested with Baker.

Baker's bankruptcy petition, filed June 11, lists total assets of \$537,578 and total liabilities of \$5,964,301, including \$3,757,729 owed to the receivership. Baker also faces at least two federal lawsuits from financial advisory firms that joined his network.

Baker could not be reached for comment Friday.

Dan Browning • 612-673-4493

RECEIVER: Trevor Cook's Story 'Does Not Make Sense'; Ponzi Losses Expected To Top \$139 Million; America's Sad, Stunning Ponzi Tale Continues

<http://patrickpretty.com/2010/06/26/receiver-trevor-cooks-story-does-not-make-sense-ponzi-losses-expected-to-top-139-million-americas-sad-stunning-ponzi-tale-continues/>

Ponzi scheme turns bestselling author's dream life into a nightmare

http://www.twincities.com/ci_15390925?nclink_check=1

How is New York Times CBS POLL. The 16% who didn't think it was an inside job lived in Mississippi, Kentucky, Louisiana, Tennessee where they also believe buildings can fall down by themselves. They are ignorant people and if you look ...all the polls say INSIDE JOB...THIS IS WHAT AMERICANS THINK.MAINSTREAM MEDIA IS FOR IMBECILES...

Scientific Poll: 84% Reject Official 9/11 Story

Only 16% now believe official fable according to New York Times/CBS News poll
Truth Movement has the huge majority of opinion

How will the Bush Cabal react?

A monumental new scientific opinion poll has emerged which declares that only 16% of people in America now believe the official government explanation of the September 11th 2001 terror attacks.

According to the new New York Times/CBS News poll, only 16% of Americans think the government is telling the truth about 9/11 and the intelligence prior to the attacks:

"Do you think members of the Bush Administration are telling the truth, are mostly telling the truth but hiding something, or are they mostly lying?

Telling the truth 16%

Hiding something 53%

Mostly lying 28%

Not sure 3%"

The 84% figure mirrors other recent polls on the same issue. A **Canadian Poll** put the figure at 85%. A **CNN poll** had the figure at 89%. **Over 80% supported the stance of Charlie Sheen** when he went public with his opinions on 9/11 as an inside job.

A recent CNN poll found that the percentage of Americans who blame the Bush administration for the September 11, 2001, attacks on New York and Washington **rose from almost a third to almost half** over the past four years. This latest poll shows

that that figure has again risen exponentially and now stands at well over three quarters of the population.

This came in from a friend today and am forwarding it on to you as it contains info that may be of interest to you and/or your readers. You are more than welcome to get in touch with Bob Singer, who sent me this email.

From: Robert Singer <rds2301@gmail.com>

I apologize but I am feeling a little paranoid today.

I don't need you to review the material in this email. I am asking you to save it...just in case.

I did this in March of 2009 when my Modern State of Israel article shut down several websites. It worked then maybe it will work now. This is sort of an email insurance policy.

I am working on an expose about the BP Oil Spill that appears not to be an Oil Spill after all. I am not finished with my investigation but it appears that the situation in the Gulf is an illusion. Something is definitely wrong with the picture in the Gulf AND there are way too many things that have happened in the last two weeks to me personally that could not be a chance occurrence.

When finished I will connect the BP Oil Spill, Perpetual Check and The ANWR DOTS.

The following is my research that just about anyone could finish and write the same expose. I claim this is following the same pattern as in September 2008 when the American people against all logic agreed to drill for oil in the Anwr (where there hardly is any oil in the first place, Drilling offshore & in the ANWR, what's wrong with this Picture? <<http://www.opednews.com/articles/Drilling-offshore--in-the-by-Robert-Singer-081221-678.html>>) because they couldn't take 4.50 a gallon gasoline.

When our frustration with their inability to stop a leak (that isn't there from the deep horizon rig) reaches a high enough level, we will demand they do something, like nuking the well, even though it has no chance of success because in this the well in question isn't even leaking oil. See expose below.

Please send me an email that you received this. I will send this twice.

Let me know if you get one or two.

Thanks

[Text from a video hardly viewed The illusion of the BP Oil Spill & NWO Agendas Part 1 <<http://www.youtube.com/watch?v=SbwengQ3928>>]

The ILLUMINATI - bloodlines planned gulf of mexico oil spill leak new world order
The 'disaster' in the Gulf of Mexico is beyond a false flag; it's an illusion. What I'm about to reveal will more than likely go by the wayside, and the charade will continue. The reason for writing this is not for attention, games, or folly, but to expose the biggest scam in the 21st century, and to relieve some aching hearts. There is no need for fear as this is a staged event. I cannot reveal my sources, they do go straight to the top, but hopefully what I write will echo inside of each person reading this as the truth. Much of the information I present here cannot be easily verified, fast checked, or ever presented as anything, but hearsay, as they are just words of an anonymous online entity. The Government, corporations, and the people behind them have pulled out all the stops to insure the truth doesn't come out. They are the reason why the beaches have private security contractors, insuring no one is able to gain access to the oil on shore. They are the reason the Gulf of Mexico is a no fly zone. They are the reason why the gulf states are being locked down by military. They are the reason why the well head you see is different in many videos that BP releases. Without this measure

of control the illusion would fail. In this post, what I can do is provide leading evidence, or give clues to the truth; from there you can use something that has gone by the way side, common sense.

The large oil spills washing up on the shores are not from BP Deep Horizon. They are indeed from surrounding wells, that were already leaking by design. These wells can be verified through a simple online search. You'll notice that much of the oil is actually in the form of tar. Usually tar balls; sizes of these have reached 2000+ pounds.

From the start, BP, Haliburton, and co-conspirators knew where they were drilling. Using specific equipment, such as the German ship RV Sonne, they had detailed maps of the ocean bottom. The ship, and a specific college study from 2005, in the Gulf of Mexico, are your starting points to what's really happening in the gulf. Here's a link to what the study synopsis

<http://geology.about.com/cs/volcanology/a/aa051604a.htm>

What BP, Haliburton, and other co-conspirators intentionally drilled into was an Asphalt Volcano. Sounds scary doesn't it? It really is not. In fact, after you read the above link you'll know that the Gulf of Mexico is literally coated in oil, tar, and methane hydrate at the bottom. The study went on to find that massive aquatic life has specifically adapted to living off of the hydrocarbons. That in fact these asphalt volcanoes are a natural part of the ocean ecology, and their eruptions actually benefit the sea life over the long duration of time.

Another aspect to what I was directly told is that BP, Haliburton, and other co-conspirators drilled intentionally into the 'mid side' of this particular asphalt volcano. Basically from what I understand, it is a soda bottle effect. If they had drilled into the top of the volcano, then all the gas would rise out, and explode as would bottled carbonated liquid. The effect of drilling into the side permits a safely controlled release of gas, tar, liquified asphalt, and other related gases. What was done is a more or less controlled release; almost natural in fact!

The Asphalt volcano was a win win situation for this false flag: as it presented the best illusion to all outside parties. Not only do the conspirators need to fool the general public, but also the oil industry, and scientific community. The public is easy to fool, but the latter two groups take a little more effort; this is the main reason why the Gulf is being isolated by security contractors, and military. Anyone well versed on this giant debacle in the Gulf knows that it is surrounded with stories, and claims of negligence. This was the first purposeful aspect to make the story seem credible to all outside parties; as the story is more easily believed, when it is chalked up to human error, or incompetence.

Besides using inferior, snotty, or flat out negligent craftsmanship, as the well was intended to fail from the onset, the conspirators knew that the pressure produced from the volcano would blow out even better equipment. This was the second mechanism to fool other industry experts. All experts, and scientific communities only know what they are told, and that is the well tapped into a large high pressure hydrocarbon pocket. To even a trained eye, what they are being told appears to be a massive oil gusher, when in fact it's a controlled event.

In watching the videos, or live feeds looks horrible, and very ominous, but upon closer examination the tell tale signs of what it really is shows through, what you are actually viewing is a man made(well bore) large "Black Smoker". You should take note, as the evidence has built, the live feed appears to have been tampered with. I suspect it is because of the video below. The man narrating the video has it correct, it is a volcano! But those aren't flames. From the link provided above, they are a combination of gases; specifically Sulfur, and Iron are what create the flame effect. Since the airing of that video, several of the live feeds have been proven to be tampered footage, or faked.

<http://www.youtube.com/watch%3Fv%3Den9CoYb0OHs>

You need to realize that an illusion is only as good as its weakest link. All scientific evidence on paper coming from the government, and corporations is being fudged. In the case of this staged, and controlled event that weak link is the oil, or more specifically the tangible tar that can be collected. As I mentioned much of the oil that has been seen, or noticed is tar rather than heavy crude oil. Out at sea closest to the Deep Horizon site, "shrimpers" have been hired to boom the oil/tar together, and set it ablaze. There are several huge fires right now out in the Gulf. The reason is for this is to hide the evidence. The distinct asphalt volcano tar, is actually coated with naturally produced oil eating microbes, and other natural safe guards produced by Mother Earth; these types of organisms are not present in a regular oil well, but commonly in the Asphalt Volcanoes, and large tar flows at the bottom of the Gulf of Mexico. To continue with why the asphalt volcano was a win win to drill into, is the heaviness of the tar. Read the linked article provided above, the tar will cling to lighter oil, and fall to the bottom of the Gulf at some point, near in the future. Also, the microbes, and other organisms that naturally occur from this will multiply. They will not only eat the tar, but the other control released oil that they are pumping into the Gulf.

We've all seen the videos of beaches not lined so much with oil, but with tar balls of varying sizes. Also, we've all noticed BP's overall lack of concern for cleanup. We've seen booms, which aren't tied together. We've heard first hand account of staged clean ups on the beaches. As soon as a press conference, or media event is done BP stops work. The reason is simple, it's not that they don't care, but that they already know what's gonna happen. The oil will start naturally being cleaned up via decomposition, oil eating organisms, and falling to the already naturally tar covered bottom of the Gulf of Mexico.

[I don't agree with any of his conclusions!]

What's the benefit of this scam? MONEY, and population control. Read this article [http://theintelhub.com/2010/06/18/gulf- ... ized-plan/](http://theintelhub.com/2010/06/18/gulf-...ized-plan/) If you're still reading this article, and even beginning to grasp the sinister nature of the fraud being perpetrated, then you'll realize that the corexit9500, and other dispersant's are not needed. They are purposely being sprayed by Evergreen Air/CIA to cull the population along the Gulf Coast.

Also, explained to me, is the large amount of useless eaters, pond scum, or undesirables living along the gulf coast. These would be the Americans living off of the government. I will not beat around the bush with pleasantries, or politically correct statements here. This coastal area from Texas to Florida has the highest, or most dense population of targets of illimination by the US Govt., and corporations. These are the populations living on welfare(in this area dominated by African Americans), and the older population living on Social Security(mainly Florida). These people are going

to start dropping like flies over the next few years, and greatly reduce the burden to government coffers.

In this respect this is a doomsday event, but it's not the end of the food chain, death of the oceans, or as some have warned an extinction level event. It's only bad for the targeted populations.

To cover the money aspects of this fraudulent event, are somewhat self evident. Primarily, as President Obama (note he's not very worried, think about it) has just pointed out, they are using this false flag to move forward with the Carbon Tax, followed by Cap, and Trade. Another aspect of profit is the clean up of this disaster; those boats aren't running around for free in the Gulf. From there, is the very real aspect of banks calling their notes on the remaining mortgaged properties along the Gulf, and peninsula of Florida. Remember Katrina? They never gave the land back, but sold it to casinos, and other businesses. Almost all beach front property will end up in the hands of the banks, and government. They'll play this disaster off for a few years, and explain the mysterious disappearance of oil on kindness from mother nature.

The side effects of this scam are negligible; in the eyes of the perpetrators, they've done nature a favor. They've opened up an asphalt volcano from the side, and will shut it down in the next few months by equalizing the pressure. The equalization of pressure will come by way of the two relief wells; which are not wells, but vents. when they do this, I have no clue what excuse they'll use, but the current gusher will stop. I said stop, it will not slow down, but literally stop. Remember, all they have done is aided nature in something that is a very common, and naturally occurring event at the bottom of the Gulf of Mexico.

That's about all I have to say. I will pop in to answer any if at all questions. The reason I came forward with this information is that I myself was worried about the level of this event. Honestly, knowing the reasoning of what, why, and how has given me peace. Anyone who has family anywhere near where they are spraying these chemicals need to alert their family to leave; they are the target of this false flag. To anyone who finds credence, or a shred of truth in what I've written, please pass this on; as we all are the target on the grand scale. The target by way of the coming carbon tax, cap, and trade. **[End of Text** from a video hardly viewed The illusion of the BP Oil Spill & NWO Agendas Part 1 <<http://www.youtube.com/watch?v=SbwengQ3928>>] **[optisoft was an eyewitness to the Hoax]**

For sure, I cannot put my finger on it, but something isn't right. <http://shtf411.com/bp-illusion-of-a-false-spill-t7065.html-sid=a63e89d6235b981aaca6b439c373ff14>
<http://shtf411.com/bp-illusion-of-a-false-spill-t7065.html-sid=a63e89d6235b981aaca6b439c373ff14>

***Later today you will find the optisoft post at unfilteredhistory under the title The Coming Man of Sin, Part 2, <http://www.unfilteredhistory.com/blog/uncategorized/the-coming-man-of-sin-part-2/>
So you can see the pictures.***

optisoft wrote:

Approaching Grand Isle, signs are up all over the place... 100s of them

HD: <http://www.collective-thought.org/Grand-Isle/01.jpg> <<http://www.collective->

[thought.org/Grand-Isle/01.jpg](http://www.collective-thought.org/Grand-Isle/01.jpg)>

My first observation, driving from Atlanta to Grand Isle, was the excessive police force in Louisiana and Mississippi. Oil spill aside, those 2 states are pure fascist states. I saw more cops in 1 hour on their interstate than I have seen in the last 5 years in GA. I just wanted to add that in there for a special cop on a special ego trip, whom I even tried to explain strawman, Federal Reserve Act of 1913, and the fact that USA has been in a state of national emergency for over 50 years. Through his crappy aviator sunglasses, hiding his evil soul, he wouldn't even listen and gave me a ticket for speeding 81 in a 70. Fuck him, ticketing sovereign non-profits people on a mission for the people in his HOME STATE, especially when there is NO INJURED PARTY.

HD: <http://www.collective-thought.org/Grand-Isle/02.jpg> <<http://www.collective-thought.org/Grand-Isle/02.jpg>>

We arrived in Grand Isle, not knowing what to expect after all we have seen here on SHTF411. I was expecting to drop my camera and start helping wildlife, but... Lo and behold, the beach was oil-slick free. We walked upon the beach and noticed tons of birds and dolphins and an orange oil boom stretching as far as you can see down the beach. The boom was about halfway from the coastline to the road, running along the beach. As we approached this boom to get clear shots of the dolphins that were just off shore, a Sheriff pulled up on a 4-wheeler. He would not speak on camera, but he did open up to me off-record once I mentioned "We The People". Below is what he told me:

1. The entire state was up in arms as to why NOTHING was done to prevent the slick from hitting shore. Once it hit, it sat for days, then BP began to act.
2. The news is bullshit, don't listen to it, any of it.
3. The oil is moving east, not west
4. The oil is coming to shore in giant waves, then none for a while
5. If the oil breaches the barrier islands and reaches the swamps and canals then LA is devastated economically as most of the economy relies on fishing, drilling, and processing the fish and oil. Many residents rely on fish for part of their diet - it's a poor state.
6. If get within 50 feet or so of the ocean then you have to go through decontamination. They are calling the beach a red zone.
7. The beaches there have always been "dark", but, they have been drilling a few miles off shore since the 70s . I counted 10+ older rigs within naked eye sight of the beach - they still pump oil "except for the new drilling ban" but the oil is nearly depleted, which is why they moved deeper off shore with DWH.
8. BP does not have a track record for safety and precaution.

Cache of water, supplies

HD: <http://www.collective-thought.org/Grand-Isle/03.jpg> <<http://www.collective-thought.org/Grand-Isle/03.jpg>>

You know what this is...

HD: <http://www.collective-thought.org/Grand-Isle/04.jpg> <<http://www.collective-thought.org/Grand-Isle/04.jpg>>

20+ buses bring workers in and out. I did not see them leave this staging area in the 3 hours I spent at the State Park.

HD: <http://www.collective-thought.org/Grand-Isle/05.jpg> <<http://www.collective-thought.org/Grand-Isle/05.jpg>>

This was a very strange plane flying over Grand Isle. It was HUGE and almost floating. I haven't seen a plane move so slow before and this was one of the biggest plane's I have seen. Figured it was photo worthy for us researchers.

HD: <http://www.collective-thought.org/Grand-Isle/06.jpg> <<http://www.collective-thought.org/Grand-Isle/06.jpg>>

HD: <http://www.collective-thought.org/Grand-Isle/07.jpg> <<http://www.collective-thought.org/Grand-Isle/07.jpg>>

HD: <http://www.collective-thought.org/Grand-Isle/08.jpg> <<http://www.collective-thought.org/Grand-Isle/08.jpg>>

These pelicans are eating the fish in the chemical film covered water

HD: <http://www.collective-thought.org/Grand-Isle/09.jpg> <<http://www.collective-thought.org/Grand-Isle/09.jpg>>

I did not see thick oil at Grand Isle, but the entire ocean was a dark brown/blue color and a chemical film covered it completely. ... list-of-chemicals-dumped-in-gulf-revealed-t6905.html <<http://shtf411.com/list-of-chemicals-dumped-in-gulf-revealed-t6905.html>>

HD: <http://www.collective-thought.org/Grand-Isle/12.jpg> <<http://www.collective-thought.org/Grand-Isle/12.jpg>>

Near shore Grand Isle drilling

HD: <http://www.collective-thought.org/Grand-Isle/13.jpg> <<http://www.collective-thought.org/Grand-Isle/13.jpg>>

HD: <http://www.collective-thought.org/Grand-Isle/10.jpg> <<http://www.collective-thought.org/Grand-Isle/10.jpg>>

HD: <http://www.collective-thought.org/Grand-Isle/11.jpg> <<http://www.collective-thought.org/Grand-Isle/11.jpg>>

Tar collecting up on the banks

HD: <http://www.collective-thought.org/Grand-Isle/14.jpg> <<http://www.collective-thought.org/Grand-Isle/14.jpg>>

A black pelican, photo taken from the road

HD: <http://www.collective-thought.org/Grand-Isle/15.jpg> <<http://www.collective-thought.org/Grand-Isle/15.jpg>>

We left Grand Isle State Park and starting heading to a random location on the coast, which ended up being Port Fourchon. I literally picked a random spot on Google maps and started heading there. On the way, a few subsidiary roads, leading to the coast, had police blocking it. I wasn't looking for trouble yet and just kept heading on to the Port, which was 10 minutes from Grand Isle State Park. A bridge connects Grand Isle to Port Fourchon. The entrance to the bridge had an SUV cop with his lights on, parked in the middle of the bridge. I pulled right up to him and said, "what, I can't go through?", he said "nope". I asked why and he said "short answer, because I told you so, long answer, talk to the operations center a few miles down another road. I said, "uh, Free Press? 1st Amendment?" He cared not. 2 more police came from the other side of the bridge, sporting blue lights on their 4-wheelers. I said fuck it and headed over to the operations center.

When I got to the operations center, a large group of Coast Guard was having a little get together under the center "homes are on stilts there". They were actually pretty cool. I explained what I was doing and wanting to know why I could not go across the bridge, which was public property. I asked if this was martial law. They arranged for me to speak with the public relations coordinator. Thanks Guards!

The coordinator explained to me that the land on the other side of the bridge, albeit massive and containing an entire port, was owned by two families. Those 2 families had made arrangements with BP and the state police to keep "researchers" and "press" off their land; however, to honor free press and 1st amendment, twice a day the select press would be escorted by police to a specific location where they could photograph and not explore. In essence, he said "you're not going to see anything". They refused National Wildlife Federation access to this special press police escort - only a few press agencies were permitted. I was very persuasive and throwing legal jargon out left and right and they finally said they would allow me to join that elite press group tomorrow at 9am, but not until after telling me that "you're not going to see anything there", so I declined, knowing full well that they would not allow us to see anything. Tonight I am in a hotel, getting some rest as it was a looong drive. I have 1 more spot to check out on the way back home, a spot that is also allegedly closed to the public too. I'll keep yall posted and put in more details later....

The American People will have the government they *deserve*

Who is sending your children off to die in war with Iran?

<<http://whatreallyhappened.com/WRHARTICLES/offtowarwithiran.html?q=offtowarwithiran.html>>

Who is the US Congress listening to?

<<http://whatreallyhappened.com/WRHARTICLES/whoiscongresslisteningto.html>>

Campaign Against Sanctions, and Military Intervention in Iran

<<http://www.campaigniran.org/casmii/>> **[End of optisoft was an eyewitness to the Hoax]**

Steven Earl Jones is an American physicist. For most of his career, Jones was known mainly for his work on muon-catalyzed fusion. In the fall of 2006, amid controversy surrounding his work on the collapse of the World Trade Center (which Jones believes was as destroyed by controlled demolition during the September 11 attacks), he was relieved of his teaching duties and placed on paid leave from Brigham Young University. **He retired on October 20, 2006 with the status of Professor Emeritus.**

[Excerpt from Message to Obama on the Gulf Coast Guard

<<http://www.thepeoplesvoice.org/TPV3/Voices.php/2010/06/19/message-to-obama-on-the-gulf-coast-guard>>]

And finally we should be very, very concerned that the latest failed efforts: the so-called "top-kill" operation and a "junk shot" injection, are giving the government an excuse to accept a [Nuclear option to cap the well](#)

<<http://rawstory.com/rs/2010/0529/energy-expert-nuke-oil-leak/>> ?

Normally I wouldn't be concerned but when on May 29th a "prominent energy expert" and investment banker known for predicting the oil price spike of 2008, tells Bloomberg News on Friday, sending a small nuclear bomb down the leaking well is "probably the only thing we can do" to stop the leak, **I get concerned.**

"What's worse than an oil spill?" asked a blogger on Full Comment, a blog of The National Post in Toronto. **"A radioactive oil spill."**

Matt Simmons

The “expert”, Matt Simmons, founder of energy investment bank Simmons & Company, **now going by the title of chairman emeritus**, says he is attributing the nuclear idea to “all the best scientists” and we should try it because the Russians did it 5 times.

Komsomolokaya Pravda suggested that the United States might as well *take a chance with a nuke*, based on the historical 20-percent failure rate. Still, the Soviet experience with nuking underground gas wells could prove easier in retrospect than trying to seal the Gulf of Mexico’s oil well disaster that’s taking place 5,000 feet below the surface.

The Russians were using nukes to extinguish gas well fires in natural gas fields, not sealing oil wells gushing liquid, so there are big differences, and this method has never been tested in such conditions, not to mention the risks when dealing with radiation.

Contrary to Matt Simmons assertion that he is attributing this idea to “all the best scientists”, the scores of scientists from the Los Alamos National Laboratory and other government labs ridicule the nuke option.

A senior Los Alamos scientist, speaking on the condition of anonymity because his comments were unauthorized, ridiculed the idea of using a nuclear blast to solve the crisis in the gulf.

“It’s not going to happen,” he said. “Technically, it would be exploring new ground in the midst of a disaster — and you might make it worse.”

We need to be clear to our elected representatives at every level that we will not tolerate any discussion of a nuclear solution to the BP oil spill. [End of Excerpt

from Message to Obama on the Gulf Coast Guard

<<http://www.thepeoplesvoice.org/TPV3/Voices.php/2010/06/19/message-to-obama-on-the-gulf-coast-guard>>]

[Evidence Points To BP Oil Spill False Flag], Paul Joseph Watson & Alex Jones
Prisonplanet.com

Tuesday, Jun 8th, 2010

- Sales of shares and stocks in days and weeks beforehand
- Halliburton link, acquisition of cleanup company days before explosion
- BP report cites undocumented tampering with well sealing equipment
- Government uses disaster to push for Carbon Tax, Nationalization talk

Troubling evidence surrounding the Deepwater Horizon explosion on April 20th suggests that the incident could have been manufactured.

On April 12th, just over one week before the Deepwater Horizon rig exploded, Halliburton, the world’s second largest oilfield services corporation, surprised some by acquiring Boots & Coots, a relatively small but vastly experienced oil well control companies.

The company deals with fires and blowouts on oil rigs and oil wells. It was responsible for putting out roughly one third of the more than 700 oil well fires set in Kuwait by retreating Iraqi soldiers during the Gulf War.

The deal itself is still under scrutiny with Boots and Coots facing an ongoing investigation into “possible breaches of fiduciary duty and other violations of state law” Where this information gets really interesting is with the fact that Halliburton is named in the majority of some two dozen lawsuits filed since the explosion by Gulf Coast people and businesses who claim that the company is to blame for the disaster.

Halliburton was forced to admit in testimony at a congressional hearing last month that it carried out a cementing operation 20 hours before the Gulf of Mexico rig went up in flames. The lawsuits claim that four Halliburton workers stationed on the rig improperly capped the well.

As the New York Times noted on May 26th, "BP officials chose, partly for financial reasons, to use a type of casing for the well that the company knew was the riskier of two options,"

Workers from the rig and company officials have said that hours before the explosion, gases were leaking through the cement, which had been set in place by the oil services contractor, Halliburton. Investigators have said these leaks were the likely cause of the explosion."

According to a 2007 study by Minerals Management Service, cementing was a factor in 18 of 39 rig blowouts in the gulf between 1992 and 2006.

Another intriguing connection Boots and Coots has to the Deepwater Horizon explosion comes via Pat Campbell, the man BP has employed to cap the well beneath the ruined rig. Campbell worked for Boots and Coots as general manager for many years.

BP has admitted to buying Yahoo and Google keywords in an attempt to control publicly available information in the wake of the catastrophe. It seems that the company is taking all the flack for the spill while the Halliburton link is being roundly ignored.

BP's prepared testimony briefing, which has since leaked online, also intriguingly notes that the Hydraulic Control System on equipment designed to automatically seal the well in an emergency was modified without their knowledge sometime before the explosion.

"the extent of these modifications is unknown at this time" states the report on page 37.

Possible prior knowledge of the explosion is also evident via huge dumping of stocks and shares in the weeks and days prior to the incident.

Goldman Sachs dumped 44% of its shares in BP Oil during the first quarter – shares that subsequently lost 36 percent of their value, equating to \$96 million.

Other asset management firms also sold huge blocks of BP stock in the first quarter. Though the amounts pale in comparison to Goldman's holdings, Wachovia, owned by Wells Fargo, sold 98% of its shares in BP and Swiss bank UBS sold 97% of its BP shares.

Furthermore, as reported by the London Telegraph on June 5th, Tony Hayward, the chief executive of BP, sold £1.4 million of his shares in the fuel giant weeks before the spill.

In the days before the Deepwater explosion, Obama had announced a new effort to explore for and lease new drilling locations in the deep Gulf and in Alaska. In the wake of the disaster, these plans have been cancelled and BP is taking a PR bashing.

All of which has been capitalized on by the Obama administration to reinvigorate talk of a carbon tax and has created the opportunity to reintroduce the idea of nationalizing oil, which the Democratic leadership has long sought.

The full story of what is happening in the Gulf of Mexico is yet to emerge, there are rumors of more spills and an ongoing coverup. The site represents a \$2.2 trillion source of wealth and power, a motive along with a plethora of suspicious activity that needs to be investigated further. **[End of Evidence Points To BP Oil Spill False Flag]**

COMMODITIES

The CRB index rose 1.0% (down 6.3% y-t-d). The Goldman Sachs Commodities Index (GSCI) increased 0.3% (down 2.4% y-t-d). Spot Gold was little changed at \$1,255 (up 14.4% y-t-d). Silver dipped 0.7% to \$19.10 (up 13.4% y-t-d). August Crude added 91 cents to \$79.19 (down 0.2% y-t-d). July Gasoline gained 1.0% (up 5.7% y-t-d), while July Natural Gas fell 2.7% (down 12.7% y-t-d). September Copper surged 6.9% (down 7.3% y-t-d). September Wheat declined 1.4% (down 13% y-t-d), and September Corn fell 5.5% (down 16% y-t-d).

GOLD, SILVER, PLATINUM AND PALLADIUM

Another typical Monday, as your government held up the market and hit gold and silver. Tomorrow will be a much better day. Spot gold fell \$17.60 to \$1,238.20, as August fell \$16.90. Spot silver fell \$0.44 to \$18.67 and July fell \$0.36. Gold open interest rose 4,268 contracts to 603,688, as silver OI fell 2,836 contracts to 132,798. The XAU fell 1.5 to 183.62 and the HUI lost 5.48 to 487.48. That was superb considering the falls in gold and silver. The share pros obviously knew what the government was up too.

The world's annual gold production just fell 9 tons as the Marlin Mine in Guatemala shut down.

The Dow fell 5 to 10,138; S&P fell 20 and Nasdaq 17 Dow points. The yen was unchanged at \$.8927; the euro fell .0101 to \$1.2292; the pound rose .0070 to \$1.5108; the Swiss franc rose .0052 to \$1.0861; the Canadian dollar rose .0011 to \$.9661, as the USDX rose .37 to 85.69. The 10-year T-note yielded 3.02%.

Oil fell \$0.70 to \$78.15; gas fell \$0.03 to \$2.13 and natural gas fell \$0.14 to \$4.72. Copper fell \$0.02 to \$3.09; platinum fell \$3.10 to \$1,567.30 and palladium fell \$9.40 to \$468.50. The CRB fell 2.08 to 263.53.

On Tuesday spot gold rose \$3.80 to \$1,243, as August rose \$1.70. Spot silver fell \$0.08 to \$18.59, as July fell \$0.19. The spillover from European stock markets of 3% to 4% hurt the US market in a big way as gold and silver did relatively well. As the Dow fell the PPT hit gold and silver in equalizer fashion. Austerity is not good for economic performance and regular stock market performances. All markets were simply dreadful. GLD options expire on Wednesday, so that was part of the reason for the attack on gold, which again really didn't work. Gold open interest fell 2,882, as silver OI fell 2,882 to 132,275.

The XAU lost 5.99 to 177.12 and the HUI fell 12.71 to 474.72. AEM fell 2.088%, or \$1.29 to \$60.87; GG fell 3.59%, or \$1.62 to \$43.55; SSRI fell 2.51%, or \$0.46 to \$17.89 and MFN fell 2.51%, or \$0.23 to \$8.94. If you noticed the Russian spies caught in Boston and NYC were passing gold reports to Moscow. There was no change in ECB member gold holdings last week.

The Dow fell 268 after being off 330. The S&P fell 300 and Nasdaq 513 Dow points. The 10-year US T-note fell to 2.96%. We wonder what the buyers will do when they find out there is no safety in the dollar. The yen rose .0109 to \$.8841; the euro fell .0094 to \$1.2198; the pound fell .0034 to \$1.5074; the Swiss franc rose .0055 to \$1.0796; the Canadian dollar fell .0195 to \$.9466 and the USDX rose .47 to 86.12.

Oil fell \$2.65 to \$75.60; gas fell \$0.07 to \$2.06 and natural gas fell \$0.18 to \$4.56. Platinum fell \$25.60 to \$1,540 and palladium fell \$22.50 to \$474.72 and copper fell \$0.15 to \$2.94. The CRB Index fell 7.26 to 256.27.

CANADA

The Olympics are over, and the Village is for sale. The complex in Vancouver, British Columbia, that housed the athletes during the 2010 Winter Olympics has been converted into 1,100 luxury condos. An 815-square-foot, one-bedroom apartment is on sale for C\$879,000 (\$845,270), which works out to C\$1,078 a square foot, or \$12 higher than the average price in Manhattan.

Statistics Canada released today the Industrial Product Price for the month of May, the outcome was 0.3%, an exact match to the previous report, as well as to market forecast. On the flip side of that coin, the Raw Material Price Index report result, which was expected to be -0.3%, already a slide from April's figure of 1.7%, read -7.2%.

Raw Material Price Index decreases to -7.2% in May from 1.7%.

EUROPE

Several days after the Romanian parliament passed a law to cut pensions by 15% in order to qualify for a critical \$20 billion IMF loan, the Romanian Supreme Court found this law was not only unconstitutional, but unappealable (along the lines of what our own SCOTUS will do once the Fed's transparency appeal gets to the very top, resulting in confirmation once and for all that American laws are only made for the benefit of the Federal Reserve). The decision was reached hours after dozens of Romanian citizens stormed the presidential palace "to get an audience with President Traian Basescu." As a result of the Constitutional Court's decision, the IMF loan "may now be delayed, and this will be a big blow to the government of Prime Minister Emil Boc, the BBC's Nick Thorpe reports." Also as a result, Romanian (and by association, neighboring Bulgaria) CDS blew up today and closed +30 to 410 for Dracula's host country, and +20 to 360 bps for the country that served as the reverse engineering center of the former Communist Bloc. [All of the 20 countries that are on the verge of bankruptcy, which includes the US and the UK, are faced with the same problem they are being compelled to absorb austerity and at the same time pay back loans in the form of bonds lent to them mostly by banks that created the money out of thin air. They like Greece should default, along with the other countries in financial trouble and let the banks go under. They might consider a 30% payout on defaulted debt to countries that lent them money, as a gesture of honesty. This is exactly what we told the Greeks to do – then they will all have cheap currencies and be better able to compete because their currencies will be at a low level. On Thursday, when we did a TV documentary in Athens, we were asked whether Greece should use the Drachma domestically and the euro for trade, and we said absolutely not. The reason being they would lose all of the value of a low priced currency, and that is dumb. We also said do not under any circumstances sell off assets of the sovereign country of Greece. As an example the government, which is run by an Illuminists, wants to sell the Greek Islands to his Illuminists friends for 20 cents on the dollar. Greece is going to have a major strike next week. What they should do is impeach the PM.]

Greece's banks have borrowed about 89.4 billion euros (\$110bn) in so-called repurchase agreements with the European Central Bank, according to Moody's. Greek banks turned to the ECB for cash after the global financial crisis that peaked in 2008 and this year's sovereign fiscal debacle curbed their access to wholesale funding and bond markets.

There are reports this morning of violent protests/riots in Greece, once again.

Here's how a source on the ground describes the situation:
We have a domestic news blackout due to the local journalist strike, but□as you may

recall my office is right on the main square where the protest marches always end up in front of the Parliament.□So from what I could see, there was very little disorder.□□3 or 4 teargas canisters went off, but probably more as a warning reminder, than because things were getting out of hand.□□At least as far as I could see, everything appeared to be reasonably under control. A couple of rocks and bricks were thrown at the police, but that over here happens in soccer matches every w/e anyway.□Now if there were later unpleasant episodes elsewhere after the crowd dispersed, that I am currently unable to know.

Euro's weakness resumes by London closing hour, after Weber stated that Germany will not recover to pre-crisis levels until 2013, and despite Angela Merkel announced they intend to put some limits on its controversial decision to ban naked short-selling, as the intention is to "to distinguish between normal activity and abuse".

The hegemonic currency lost ground against the US Dollar as dented risk appetite damaged the healthy uptrend correction for the pair. Investors withdrew its longs to reinstate short positioning strategies on the pair. Current price can be found at 1.2232. EUR/USD opened at 1.2274 to initially aim for higher bands. However, a steamless run up got exhausted at resistance 1.2290. The bears move to drive the pair lower paid off as the pair fell bottoming at 1.2226 (lowest level since June 23).

The UBS consumption indicator rose from a revised April figure of 1.73 to 1.74 in May. The indicator is driven by five factors: new car sales, business activity in the retail sector, the number of domestic hotel overnights by Swiss nationals, the consumer sentiment index and credit card transactions via UBS points of sale in Switzerland

The world's banks are still not out of the woods despite recent multi-billion profits as writedowns on loans loom and funding pressures remain high, the Bank for International Settlements said. Recent profits may not be sustainable given that of late they chiefly have been derived from trading income, the Basel-based BIS in its annual report published on Monday.

Banks also may face higher borrowing costs as they compete with governments to refinance debt, and many institutions are highly exposed to sovereign risk, the BIS said.

EUR/USD extended its downside rally to hit a new 2-week low at 1.2152, not seen since June 14. An unexpected downbeat release in US consumer confidence outstripped worst expectations, sending risk-related pairs nose-diving.

The euro hit a lifetime low against the Swiss franc on Friday as the single currency came under broad selling pressure after stop-loss orders were triggered in the euro versus the dollar.

The euro EURCHF= fell roughly half a percent on the day to 1.3510 francs, according to Reuters data, the lowest level since the single European currency was launched in 1999. The euro's broad losses accelerated after euro/dollar stops were triggered just under \$1.23, traders said, pushing the single currency to the day's low of \$1.2263, down more than 0.5 percent.

"Fix-related selling has triggered stops in the euro," said a trader in London, adding selling by funds was also pushing the euro lower. Others in the market said falling shares were punishing the single currency.

The UBS consumption indicator rose from a revised April figure of 1.73 to 1.74 in May. The indicator is driven by five factors: new car sales, business activity in the retail sector, the number of domestic hotel overnights by Swiss nationals, the consumer sentiment index and credit card transactions via UBS points of sale in Switzerland.

Spanish banks have been lobbying the European Central Bank to act to ease the systemic fallout from the expiry of a €442bn (\$542bn) funding programme this week, accusing the central bank of "absurd" behaviour in not renewing the scheme.

On Thursday, the clock runs out on the ECB financing programme – the largest amount ever lent in a single liquidity operation by the central bank under the terms of the one-year special liquidity facility launched last summer. One senior bank executive said: "Any central bank has to have the obligation to supply liquidity. But this is not the policy of the ECB. We are fighting them every day on this. It's absurd."

ENGLAND

U.K. gilt sales may fall 28% this fiscal year as Chancellor of the Exchequer George Osborne cuts spending to reduce the budget deficit and safeguard the nation's top credit rating. The government will issue 165 billion pounds (\$246bn) of gilts in the year ending March 31. Osborne will present his emergency budget on June 22.

The Bank of England released the M4 report portraying a 3.1% annual growth rate, a step back from previous 3.3% rate. The household sector holdings increased 0.5bn, a hike from the former of 0.3Bn but far from beginning of the year numbers of 4.4bn or 5.3bn. The monthly report remained unchanged at 0.0%, with the last increase being March's at 0.5%.

England Banks must stop fudging figures to look better than they really are. Banks should stop 'window dressing' their accounts by manipulating transactions to flatter their results, according to the Bank of England. It wants institutions to own up to flurries of short-term activity around their reporting dates that aim to make their figures look better than they really are Britain's banks will have to permanently bolster their balance sheets by as much as £130bn equivalent to £5,200 for every household in Britain – under new rules agreed by world leaders.

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The British housing sector matched April's reading, experiencing 49.8K mortgage approvals over the month of May despite expectations of slightly higher reading of 51.0K.

United Kingdom June Hometrack Housing Prices s.a falls to 0.1 vs 0.2, Mortgage Approvals falls to 49.81K in May from 49.83K.

ASIA

Taiwan's central bank unexpectedly raised its benchmark interest rate for the first time since 2008, joining Asian policy makers from China to Malaysia. Governor Perng Fai-nan and his board increased the discount rate to 1.375% from a record-low 1.25%.

South Korea will 'normalize' its accommodative policies and take pre-emptive steps against inflation as the economy is set to grow faster than previously forecast amid a global rebound, the Finance Ministry said. The ministry raised its economic growth forecast for this year to 5.8% from the 5% projected in December - exports will grow 25%, it said. 'The economy may be able to achieve better than' the government's growth projection this year, Finance Minister Yoon Jeung Hyun told reporters.

CHINA

China's record loan growth and the repackaging and selling of debt by its banks has raised credit risks 'considerably,' and might lead to another financial crisis, Fitch said. 'Credit is disappearing from bank balance sheets, resulting in a pervasive understatement of credit growth and credit exposure,' Charlene Chu, Fitch's senior director of financial institutions for China, said. 'But credit risk has not disappeared, merely been transferred to investors.' Growing numbers of Chinese banks are entering increasingly complex transactions designed to circumvent regulations, according to Fitch. They involve banks selling loans to a trust company, which then creates a wealth-management product around them and gives these back to the bank to distribute. Banks then sell on the product to investors and with the money, pay off the loan, the risk assessor said.

Yu Jiang looks into the front window at his two-bedroom apartment in the center of Kangbashi, in China's Inner Mongolia, and says he may buy another. The place has been empty for three years, as are as many as 90% of the units near it. Designed for 300,000 people, Kangbashi, the new urban center of Ordos prefecture west of Beijing, may have only 28,000 residents, Bank of America-Merrill Lynch said. Standard Chartered Bank called it 'the Dubai of northern China' for its vacant skyscrapers and more than 1.1 trillion yuan (\$161bn) worth of new public buildings and local wealth.

JAPAN

Industrial Production (YoY) declines to 20.2% in May from 29.5.

The Overall Household Spending stood decreased by 0.7% over the year to May for second consecutive month. This decrease is worse than expected as forecast was around a rise of 0.3%.

The average of monthly consumption expenditures per household for May 2010 was 280,714 yen, down 1.7% in nominal terms and down 0.7% in real terms from the previous year", Japan Statistics Bureau said.

The Japanese jobless rate reached 5.2% in May 2010 from a 5.1% in April 2010 and slightly above expectations of a 5.0% rate. The Job-To-Applicant Ratio equaled 0.5 in May 2010.

The number of employed persons in May 2010 was 62.95 million, a decrease of 470 thousand or 0.7% from the previous year", Japan Statistics Bureau said. "The number of unemployed persons in May 2010 was 3.47 million, the same number as the previous year. The unemployment rate, seasonally adjusted, was 5.2%".

Vehicle Production (YoY) falls to 30.6% in May from 50.8%.

INDIA

India's rising prices are a concern that the central bank will have to weigh against the risks to growth from the European debt crisis, Finance Minister Pranab Mukherjee said. Inflation 'is a matter of concern,' Mukherjee said. India's benchmark wholesale-price inflation unexpectedly accelerated 10.16% in May from a year earlier.

AUSTRALIA AND NEW ZEALAND

AUSTRALIA'S economy is growing at a weaker than expected pace as worries about household debt and foreign investment mount, says a Melbourne research group.

The Melbourne Institute said Australia's March-quarter growth of 0.5 per cent was weaker than the 0.8 per cent increase it tipped last month. This had prompted it to lower its estimate for 2010 growth to 2.5 per cent from 2.8 per cent.

The number of new housing units authorized fell 9.6%, following an 8.4% rise in April 2010.

The trend, which reflects long-term behavior, for the number of new housing units authorized (excluding apartments) has been increasing since early 2009. However, the level is still 30 percent lower than the peak in June 2007", Statistics of New Zealand said today.

The M3 aggregate for New Zealand fell 3.1% to reach 170,953 million in May 2010 from 213,111 million reached in May 2009.

HEALTH

FIREWALL OF DEFENSE

Today approximately 80% of Americans own a PC. Man created a firewall to protect computer systems from attacks. Where did he get this idea? In many ways the technology sector has tried to mimic mankind. Invading computer code is called a virus and software to protect the system is antivirus protection. This almost sounds like a continuous IV of antibiotics for your computer. However, you and I are not a combination of micro chips, wires and hard drives. You and I are much more sophisticated and drugs are not our first line of defense against illness.

THE IRONY

When comparing computers and the human immune system you can't help but see the irony. Computers always need virus protection updates, almost like mutating superbugs, which become immune to antibiotics. New virus and spy ware code is constantly being written and unleashed on unsuspecting computer systems. You cannot disagree that this is on purpose. Likewise, much of the human disease is because we created it. No doubt antibiotics have saved lives in emergency conditions. However, the willful use of these drugs outside of emergencies has created mutating superbugs and flesh-eating, drug-resistant Staph (MRSA). The term antibiotic means "against life."

In the United Kingdom there are posters in doctor's offices that state, 'unfortunately no amount of antibiotics will get rid of your cold'.

LINE OF DEFENSE

Your first line of defense against illness is not a drug – it's your immune system. In other words, your body already has a firewall. What if illness penetrates your first line of defense (firewall)? You have a built-in back-up called antibodies. Pain is a great motivator but fear is a greater one. Just like computers are programmed, humans have been programmed to seek medical attention for non life-threatening health concerns. We fear we will lose our job if we take off from work to rest and get better. We fear the public school authority if our children stay out of school too long to get better. Therefore we run to the doctor for our wonder drugs. When we do this we don't give our immune system the opportunity to protect us during an illness and from future illnesses.

AVAILABLE MEMORY

Your PC's today have tons of memory. Soon the i-phone will be as sophisticated as your PC. You expect your computer to remember files, emails and a host of other activities your system engaged in. Your immune system is not too different. What if you shut off your computer and didn't use it for awhile? Would you expect it to have saved files, send messages and so forth if it hasn't been active? Of course not. However, we expect our immune system to remember viruses and bacteria that it hasn't dealt with. We expect our immune system to be able to make protective antibodies to make us all better. It can't do that if you shut off the immune system and you do this when you take immune system suppressant medicines such as antibiotics, aspirin, pain medications and autoimmune suppressant drugs. You haven't given your natural immunity time to code an antigen defense, to remember the code and launch the antibacterial and/or antiviral defenses.

ANTIBIOTIC – AGAINST BIOLOGY

We have over a hundred different types of antibiotics. In the 1950's America produced over 2 million pounds of antibiotics. Today we pump out over 50 million pounds. This is where science is fallible. Fifty years ago penicillin made us think we'd never be afraid of infection again. However what we got was new strains of bacteria that are stronger and resistant to antibiotics. Science did not consider when handing out antibiotics for every infection that it would put mankind in a precarious position. We are running out of antibiotics and we have spawned immune systems that do not know how to fight off infections. The CDC has stated that 30% of the antibiotics prescribed were unnecessary, which scientifically means there were millions of antibiotic overdoses and accounts for nearly 200,000 hospitalizations annually. Now, consider the antiviral medications which most likely are being prescribed routinely for all viruses.

DOWNFALL OF ANTIBIOTICS

How are we creating these superbugs? The antibiotics kill the weaker bacteria and the stronger strains are left and allowed to multiply. How fast can superbug bacteria grow? Pretty fast - one million-fold per day. If you are infected with superbug bacteria, modern medicine cannot stop the growth and it quickly passes the point of no return for the patient. The public was made aware of this risk in 1994 when a study was published in the New England Journal of Medicine. In the report scientists and physicians admitted that bacteria, such as pneumonia, were quickly outwitting antibiotics. In this 1994 report about 6.6% of the pneumonia strains were resistant and

today we are back to square one as if in the time prior to antibiotics but with stronger bacteria to fight.

WHO IS AT RISK?

The CDC knows who is at risk. If you are between the ages of 15 and 45 you are the high target group for antibiotics. If you are in the hospital, you are at risk of picking up a superbug. Statistics will bear out that there is a dramatic increase in kidney and liver failure due to overuse of these drugs. Other secondary diseases you can acquire from over use of antibiotics are intestinal discomfort, chronic fatigue syndrome, fibromyalgia, various allergies and psychological problems. Science hates to admit it but they have magnified survival of the fittest over a ten thousand-fold. Let us pray that the question of our era isn't "where were you when the superbugs took over?" We must be proactive and utilize safer ways to ward off infection.

WHAT DID OUR ELDERS DO?

Obviously the ancients knew a few tricks to fight off infections. Actually, many modern treatments stemmed from medicinal folklore. The Chinese used plants with antimicrobial compounds for over 2,500 years. The ancient Egyptians and Greeks were the first to use molds with plants to fight off infections. This was the beginning of antibiosis – observing the reaction of bacterial organisms and is where we derive the term antibiotic.

TIME TO RE-BOOT

When our computers need to install new upgrades to virus protection we must reboot the PC and voila we're protected. Likewise it is time for humans to re-boot their immune system, dust it off, clear out the cobwebs and rebuild it. Your immune system is like a muscle and without use it becomes lazy and useless. It must be active in order to protect you – even from the superbugs. Rationally, if we got superbugs by those bacteria becoming resistant to a specific drug (either organic or synthetic), then it would reason to say that the bugs are not resistant to antibacterial and antiviral agents that have not been in wide or recent use. Immune boosting herbs I use are Garlic (broad-spectrum infection protection), Echinacea root, Ginseng and Astragalus root. I will purposely pair any or all of these herbs with cayenne and ginger root to drive them quickly through the system and with mullein to soothe the glands of the body for more immune system support. You will find the following immune system boosting formulas at Apothecary Herbs; Echinacea Deluxe, Adult Echinacea, Children's Echinacea, Pneumonia Kit, All-In-One formula (broad-spectrum), Astragalus Tincture, American or Siberian Ginseng, Circulation Tincture (cayenne), Ginger Root Tincture and Mullein Tincture. Call Apothecary Herbs for a product catalog 866-229-3663, International 704-875-8010 or online at www.thepowerherbs.com. **Take advantage of their July discount and save 15% online, by phone or via mail with this code; IF1776. Good now through July 2010.**

SAVE 15% ON NATURAL HERBAL PRODUCTS FROM APOTHECARY HERBS

If sinusitis or bronchitis is a problem, you've got to check out Echinacea Deluxe herb liquid and the Pneumonia Kit at Apothecary Herbs. At the first sign of symptoms take this product and avoid an infection. If you already have an infection taking these products shortens recovery time without antibiotics. Money back guarantee. Call Apothecary Herbs 866-229-3663 or <http://www.thepowerherbs.com>.

ADVERTISE YOUR BUSINESS ON NATIONAL RADIO

Take advantage of the spring discount for radio ads (\$299/ mo.) on Wendy's show Herb Talk Live. Go to <http://www.thepowerherbs.com> and click on "Advertise Here" for more information or call 866-229-3663 x 3.

THE POWER HERBS e-BOOK. By popular demand *The Power Herbs* e-book is available with symptom/herb reference guide, information on organ cleansing and how to make your own herbal tinctures plus a whole lot more. Go to <http://www.thepowerherbs.com> and click on *The Power Herb* book cover on the right side of the home page to order. You must have email to order and receive the e-book download version of *The Power Herb* book for just \$14.99. At this time, we do not offer this title in hard copy.

RARE ORGANIC GOJI BERRIES – A small percentage of wild crafted organic Goji Berries full of antioxidants are available from Tibet and Apothecary Herbs has them. Great for snacks, cereal or salads. Call now and get 8 oz. for just \$15.50. Apothecary Herbs 866-229-3663, International 704-875-8010 <http://www.thepowerherbs.com>.

POWER HERB KIT – contains 13 concentrated herbal liquids for numerous uses and is a good starter kit and comes in a portable carry case. Call Apothecary Herbs toll free 866-229-3663, International 704-875-8010 or <http://www.thepowerherbs.com>.

SUMMER PET CARE – Are you planning on boarding your pet this summer? Protect your pet from kennel cough and other infections with organic Kennel Cough Kit by Apothecary Herbs. Dog & Cat Immune Booster Formulas plus toxic-free flea and tick collars, shampoo and spray also at Apothecary Herbs. Call now toll free 866-229-3663, International 704-875-8010 or <http://www.thepowerherbs.com>.

Portuguese Sea Salt® - imported from the traditional salterns (a 2000-year tradition) along the coast of Algarve, Portugal. Salt crystals are harvested by hand and sun-dried. This is a true artisan sea salt providing richness as well as a smooth and elegant flavor to food. 1/2 pound ground unrefined Portuguese Sea Salt® just \$8.50 at Apothecary Herbs 866-229-3663, International 704-875-8010 <http://www.thepowerherbs.com>.

#10 CANS SURVIVAL FOOD – call Freeze Dry Guy 866-404-3663 or www.freezedryguy.com.

US MARKETS – LETTERS & LINKS

Letter to the Editor from a Fellow subscriber:

Panama Intends to Sign OECD Tax Treaties Executive Summary & Panama Finance Vice-Minister Frank De Lima said that Panama intends to sign tax treaties allowing for the sharing of banking information with at least 10 nations to get out from under OECD sanctions. This is what we have been predicting. They will sign before they get blacklisted. The OECD is waiting to actually see the verbiage used in these treaties before agreeing to let them off of the hook according to Jeffrey Owens the director of the OECD tax policy department. Spain, Mexico, Switzerland, Belgium and Canada have expressed interest in signing tax treaties with Panama. To see the source for the story go here: Panama May Sign Tax Accords to Avoid Sanctions, Official Says Analysis Rest

assured that the USA, UK, France, Germany, and Australia will want in on these tax treaties. Panama can try to sign treaties with obscure nations to keep the lion's share of their banking clients in Panama but the big members of the OECD will not sit still for this. They need money badly and want at those banking records to get revenue. I think Panama will cave in completely and do what the OECD wants them to do. This will leave their duty free zone in Colon intact and the Panama Canal will remain under their control. What To Do - As we have been saying all along close your bank accounts before the tax treaties are signed. The new tax treaties should not be retroactive in that this would make them unconstitutional. If the bank account is closed before enactment of the new treaties it should still be covered by the old bank secrecy laws and not affected by the new tax treaties.

From Alan Grayson -

I just learned that the key Congresswoman in charge of funding aid to Afghanistan - Nita Lowey - has stood up and said no.

Chairwoman Lowey just stopped \$3.9 billion of funding for Afghanistan until she has "confidence that U.S. taxpayer money is not being abused to line the pockets of corrupt Afghan government officials, drug lords and terrorists."

This is how Americans ended the war in Vietnam - by ending the willingness of Congress to fund it.

We're making progress towards peace.

[A rumor has reached us that millions of dollars in cash has been loaded on to planes and flown out of Kabul, Afghanistan, this is money diverted from US aid and drug money being moved to financial havens.]

From a Fellow Subscriber:

http://beforeitsnews.com/news/82/062/Trucking_Industry_Under_Fire.html

All Acme terminals had meeting on this, this past Wednesday. It is true and coming. Look for a lot of out of work truck drivers and trucking companies as a whole to be shut down. Prices will skyrocket because of shortage of trucks not to mention if fuel increases. Thank you for the info and just wanted to contribute my 2 cents.

From a Fellow subscriber:

Bob,

The FED has decided to leave short term rates alone so here is what I can offer **California** home owners in regards to mortgage rates. If you want to let them know in your newsletter.

Conforming Loans up to \$417,000.00

30yr. fixed @ 4.375%

15yr. fixed @ 3.875%

Jumbo Loans up to \$1.5 million

3/1 Arm @ 3.95% (No Fee's)

5/1 Arm @ 4.65% (No Fee's)

Conforming scenario's based on 1 point origination plus \$2,800.00 NRCC's, 740 FICO Score, Rate & Term, impound account, 80% LTV or less

Jumbo scenario's based on 750 FICO Score, 50% LTV, Appraisal Cost refunded at closing, \$250K in liquid assets required.

All rates above subject to change based on market conditions...

Michael J. Dorff
Trans World Financial
19691 Phoenix Lane
Huntington Beach, Ca. 92646
714-222-9600 ph.
714-846-3599 fx.

Senate Democrats Plot 'Impenetrable' Path to Victory for Unwritten Climate Bill [The final rapping of America begins. This is what the false flag BP oil episode was all about, just as we predicted week's ago. Climb all over every Congressman and Senator and stop this legislation, otherwise you will live in financial bondage forever.]
<http://www.nytimes.com/cwire/2010/06/25/25climatewire-senate-democrats-plot-impenetrable-path-to-v-66658.html>

US president is the Wizard of Oz. But who stands behind the curtain?
<http://www.youtube.com/watch?v=EAuNtJJJlg0&feature=email>

Keiser Report №55: Markets! Finance! Scandal!
<http://www.youtube.com/watch?v=J3Dw-i7yIV0>

By Daniel Estulin
BILDERBERG EXPOSED in EU Parliament Press Conference
Part 1
<http://www.youtube.com/watch?v=PmhiGy2VPmc&feature=related>
Part 2
<http://www.youtube.com/watch?v=6cP49b2u6ul&feature=related>
Part 3
<http://www.youtube.com/watch?v=ki8gXV88wng&feature=related>

Daniel Estulin replies to questions following the Press Conference - "Bilderberg Group - Towards the Creation of a One World Company Ltd.?"

(important clarifications on key points!)
<http://www.youtube.com/watch?v=9POy5QjEBc0&feature=related>
another link here...
http://www.youtube.com/watch?v=9POy5QjEBc0&annotation_id=annotation_866813&feature=iv

Interview with Estulin following his presentation
<http://www.youtube.com/watch?v=3iUiugzGjIU&feature=related>

Sirhan Sirhan: In His Own Words - by Stephen Lendman
<http://sjlendman.blogspot.com/2010/06/sirhan-sirhan-in-his-own-words.html>

Time Out with Kevin Gallagher
<http://www.youtube.com/watch?v=MbgWPWGqz4o>
Palestinian Centre for Human Rights 2009 Annual Report - by Stephen Lendman
<http://sjlendman.blogspot.com/2010/06/palestinian-centre-for-human-rights.html>

BP: Bad News for the Economy, the Environment, but...
http://www.chaostheorien.de/artikel/-/asset_publisher/haR1/content/bp-bad-news-for-the-economy-the-environment-but?redirect=%2F

Obama Strategy for G-20 in Ottawa: Push Euro Down, Drive Renminbi Up, Attack Germany, and Keep Toxic Derivatives in Charge of the World Economy
<http://tarpley.net/2010/06/25/obama-strategy-for-g-20-in-ottawa-push-euro-down/>

Obama's Phony Financial Reform Bill a Stunning Triumph of the Wall Street Derivatives Lobby — Tell Your Congressman to Vote It Down!
<http://tarpley.net/2010/06/26/obamas-phony-financial-reform-bill/>

The 'Jersey Girls' Support Architects and Engineers for 9/11 Truth
<http://www.prisonplanet.com/the-jersey-girls-support-architects-and-engineers-for-911-truth.html>

Competing Ideologies: G20 v US Social Forum - by Stephen Lendman
<http://sjlendman.blogspot.com/2010/06/competing-ideologies-g20-v-us-social.html>

OCC's Quarterly Report on Bank Trading and Derivatives Activities
First Quarter 2010

<http://www.occ.gov/ftp/release/2010-71a.pdf>

FBI/DHS Attempt to Seize Colorado Indymedia Server and Silence Our Users
<http://colorado.indymedia.org/node/7781>

Jesse Ventura on Alex Jones - very good interview. He talks about a lot- from the new season of his show coming up and Homeland Security harassing him, to political parties, to why wars are fought, to Iran, to the BP oil disaster. I can't wait for the newest season of TruTV's Conspiracy theory

Part 1:
<http://www.youtube.com/watch?v=2h2d1sgqXL8>

Part 2:
<http://www.youtube.com/watch?v=6TfohNEw8dY&feature=related>

Part 3:
<http://www.youtube.com/watch?v=nJ7DaVXw8fg&feature=related>

Part 4:
<http://www.youtube.com/watch?v=uvRoXWpoVJw&feature=related>

Part 5:
<http://www.youtube.com/watch?v=tbAzIX3TasY&feature=related>

The New National Security State

By Barry Esiler

<http://www.truth-out.org/the-new-national-security-state60823>

White House Preparing National Online ID Plan - By Mathew J. Schwartz / InformationWeek

http://www.informationweek.com/news/government/security/showArticle.jhtml?articleID=225701456&cid=RSSfeed_IWK_News

Proposed Senate bill is a threat to nation's cybersecurity - By Wayne Crews, Competitive Enterprise Institute / LocalTechWire

http://localtechwire.com/business/local_tech_wire/news/blogpost/7855139/

The Powers-That-Be Are Terrified of the Mass Awakening Taking Place Worldwide

<http://www.prisonplanet.com/the-powers-that-be-are-terrified-of-the-mass-awakening-carbon-currency-a-new-beginning-for-technocracy-taking-place-worldwide.html>

<http://www.marketwatch.com/story/the-three-biggest-lies-about-the-us-economy-2010-06-29>

This video was removed. But you can find it here [it is a statement by Kindra Arnesan – Behind the Scenes explaining what has gone on in the BP disaster]

http://www.disclose.tv/action/viewvideo/48277/louisiana_resident_speaks_about_BP/

Sacking McChrystal: Testimony to a Lost War - by Stephen Lendman

<http://sjlendman.blogspot.com/2010/06/sacking-mcchrystal-testimony-to-lost.html>

YOU SAY "SOVEREIGN," I SAY "MAYBE NOT"

<http://www.newswithviews.com/Barnewall/marilyn141.htm>

Governor Christie on Your World with Neil Cavuto - Part 1

<http://www.youtube.com/watch?v=yp-rjyKqI48>

Governor Christie on Your World with Neil Cavuto - Part 2

<http://www.youtube.com/watch?v=Mlj0i6RsILs>

Governor Christie on Your World with Neil Cavuto - Part 3

http://www.youtube.com/watch?v=rEFsPW_jTYc

Brent Coon: tough-talking lawyer going after BP on his Harley

<http://www.guardian.co.uk/business/2010/jun/27/bp-brent-coon-oil-spill-claims>

US wants free access to your PC

<http://www.brasschecktv.com/page/880.html>

O'Reilly: Obama Could Face Impeachment If He Pardons Illegals

http://www.newsmax.com/Headline/barack-obama-impeachment-illegal/2010/06/26/id/363160?s=al&promo_code=A299-1

U.S. reverses stance on treaty to regulate arms trade

<http://www.reuters.com/article/politicsNews/idUSTRE59E0Q920091015>

What the BP oil false flag operation is all about, by Max Eagan

1/6

http://www.youtube.com/watch?v=d7eWyHAWOmQ&playnext_from=QL

2/6

http://www.youtube.com/watch?v=xeheW1Pp5zl&playnext_from=QL&playnext=1

4/6

http://www.youtube.com/watch?v=ozuoSnT_128&playnext_from=QL&playnext=1

5/6

http://www.youtube.com/watch?v=zhHLDpJkZFI&playnext_from=QL&playnext=1

6/6

http://www.youtube.com/watch?v=z6a9-FoBzP4&playnext_from=QL&playnext=1

Ruling The World of Money

<http://www.edwardjayeptstein.com/archived/moneyclub.htm>

Economic Crisis: The Next Round of Financial Slaughter

The G-20 Summit Charade

<http://www.globalresearch.ca/index.php?context=va&aid=19945>

The Military can Waste Money too

<http://www.24hgold.com/english/news-gold-silver-the-military-can-waste-money-too.aspx?article=2980925612G10020&redirect=false&contributor=Ron+Paul>

The three biggest lies about the economy

<http://www.marketwatch.com/story/the-three-biggest-lies-about-the-us-economy-2010-06-29>

The Return of Nullification

<http://www.lewrockwell.com/woods/woods142.html>

BBC HARDTALK with Kenneth O'Keefe on the Israeli Attack on FLOTILLA

<http://forum.prisonplanet.com/index.php?topic=177122.msg1051408#msg1051408>

Ron Paul And John Duncan On Freedom Watch

<http://www.youtube.com/watch?v=h6bNObf4V64>

Supreme Court Ends Gun Control In The U.S.!

<http://www.youtube.com/watch?v=GPhSZX0CKOg&feature=email>

Jobless Bill Dies Amid Deficit Fears

[http://online.wsj.com/article/SB10001424052748704227304575327273014747664.htm](http://online.wsj.com/article/SB10001424052748704227304575327273014747664.html)
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Time to shut down the US Federal Reserve?

<http://blogs.telegraph.co.uk/finance/ambroseevans-pritchard/100006729/time-to-shut-down-the-us-federal-reserve/>

Kucinich: 'We are losing our nation to lies about the necessity of war'

<http://rawstory.com/rs/2010/0629/kucinich-we-losing-nation-lies-necessity-war/>

The Fed Has Lost It; Publishes Essay Bashing Bloggers, Tells General Public To Broadly Ignore Those Without An Econ PhD

http://www.zerohedge.com/article/fed-has-lost-it-publishes-essay-bashing-bloggers-tells-general-public-broadly-ignore-those-w?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+zerohedge%2Ffeed+%28zero+hedge+-+on+a+long+enough+timeline%2C+the+survival+rate+for+everyone+drops+to+zero%29

Ariel Sharon: "We, the Jewish People, Control America, and The Americans Know it!"
<http://intifada-palestine.com/2009/05/ariel-sharon-we-the-jewish-people-control-america-and-the-americans-know-it/>

'Dozens' of US citizens on assassination list, White House adviser hints
<http://rawstory.com/rs/2010/0628/white-house-adviser-dozens-citizens-assassination-targets/>

RBS tells clients to prepare for 'monster' money-printing by the Federal Reserve
http://www.telegraph.co.uk/finance/comment/ambroseevans_pritchard/7857595/RBS-tells-clients-to-prepare-for-monster-money-printing-by-the-Federal-Reserve.html

US state budget crises threaten social fabric
<http://www.ft.com/cms/s/0/403eb4de-8212-11df-938f-00144feabdc0.html>

G-20 Calls for 'Significantly' Higher Bank Capital
<http://www.businessweek.com/news/2010-06-27/g-20-calls-for-significantly-higher-bank-capital-update1-.html>

RBS tells clients to prepare for 'monster' money-printing by the Federal Reserve
http://www.telegraph.co.uk/finance/comment/ambroseevans_pritchard/7857595/RBS-tells-clients-to-prepare-for-monster-money-printing-by-the-Federal-Reserve.html

Financial Reform Bill Will Not Stop the Next Meltdown
<http://www.infowars.com/financial-reform-bill-will-not-stop-the-next-meltdown/>

America Rising!
<http://www.powerlineblog.com/archives/2010/01/025329.php>

Case-Shiller Foreshadows A Crash In New York Real Estate AND Consumer Spending
<http://www.businessinsider.com/case-schiller-foreshadows-a-crash-in-new-york-real-estate-and-consumer-spending-2010-6#ixzz0sGYMf5w3>

Obama DOCTRINE: Congress Just Declared Preemptive WAR on Iran
<http://www.activistpost.com/2010/06/obama-doctrine-congress-just-declared.html>

10 alleged Russian secret agents arrested in US

http://news.yahoo.com/s/ap/20100629/ap_on_go_ca_st_pe/us_doj_russia_arrests

European Union, U.S. to share banking data to fight terrorism

http://www.washingtonpost.com/wp-dyn/content/article/2010/06/28/AR2010062805052.html?wpisrc=nl_cuzhead

High Unemployment, Lower Stocks and Growing Worries. Is This 1930 All Over Again?

<http://finance.yahoo.com/tech-ticker/yes-we-really-could-be-headed-into-another-depression-says-dan-alpert-511661.html?tickers=^dji,^gspc,gld,udn,uup,tlr,tip&sec=topStories&pos=9&asset=&code=>

EXPOSED! - G20 Police in Black Bloc Anarchist Gear @ 0:45 - Toronto

http://www.youtube.com/watch?v=aeG_t9abaSU

Banks Financing Mexico Gangs Admitted in Wells Fargo Deal

<http://www.bloomberg.com/news/2010-06-29/banks-financing-mexico-s-drug-cartels-admitted-in-wells-fargo-s-u-s-deal.html>

CNN: Almost All Exxon Valdez Cleanup Crew Dead!!!

http://www.youtube.com/watch?v=eRrbqBEGxiw&feature=player_embedded

GOLD- LINKS

Why Gold is Trending Towards USD\$27,163

<http://www.moneymorning.com.au/20100616/why-gold-is-trending-towards-usd27163.html>

Ruling The World of Money

<http://www.edwardjayepstein.com/archived/moneyclub.htm>

Gensler on brink of position limits victory

<http://www.commodities-now.com/news/power-and-energy/2942-gensler-on-brink->

Republic of Texas Begins Minting Private One-Ounce Silver Proof Medallions

<http://www.dailypaul.com/node/138661>

7 Potential Economic Effects Of A War With Iran

<http://theeconomiccollapseblog.com/archives/7-potential-economic-effects-of-a-war-with-iran>

\$600 Sale? Get Ready for Tax Form for the sale of coins.

<http://www.numismaster.com/ta/numis/Article.jsp?ad=article&ArticleId=11843>

CANADA – LETTERS & LINKS

From an Interested Reader:

Greetings from Canada Hello Bob, Hope all is well. I want to send you a quick note to thank you for the invaluable work you have done over many decades. I'm a commodities trader(oil & gas, copper) and with your sage direction and advice, I've been able to navigate the current economic landscape very well. I've been listening to you for many years and I'm thoroughly impressed every time I listen, not only with your tremendous ability to analyze current events but foresee into the future with clarity and precision. I always thought that I knew the game of finance, however, after listening to you over many years, I realized that I knew very little and what I actually thought I knew was pretty much incorrect. After humbling myself, I began doing vast amounts of research on how the system; really worked and was shocked and floored at the level of deceit and criminality that has existed and currently exists on this planet. Bob, you are a true warrior and a jewel to humanity. I thank you from the bottom of my heart for bringing light into a world of darkness. God Bless and all the best.

“A fellow Canadian subscriber in the precious metals business

www.goldcoinscanada.ca <<http://www.goldcoinscanada.ca>> ”

From a Fellow Subscriber:

Hi Bob,

Here is a link to a recent Toronto Star article.

<http://www.thestar.com/news/gta/torontog20summit/article/828876--porter-when-police-stick-to-phony-script>

It is nothing new or earth-shaking but for the milk-toast, limp-wrested Toronto Star to openly talk about false flag, agent provocateurs is significant.

The CBC went as far as this;

<http://www.youtube.com/watch?v=UepRp5CN52c>

Again, not much but even that little rant would have been impossible 10 years ago. CBC main news anchor Peter Mansbridge was at Bilderberg this year so we know who they are working for.

Thanks for all your good work. The opening pages of June 19th's Forecaster was great stuff and I am very happy to know that your subscriber base would be reading it!

Love Police Tortured Street Activist Veitch Arrested on G20 Summit Canada Part 1 of 2

http://www.youtube.com/watch?v=KS0bLYPEx20&playnext_from=TL&videos=zwZQCexzF8s&feature=sub

--Province quietly passed regulation that gives police the right to search and arrest anyone who refuses to self-identify near zone 25 Jun 2010 The government of Ontario quietly designated the entire G20 security zone as a “public work” nearly a month ago under a little-used act that vastly expands police arrest powers. The move means anyone entering, or even approaching, a designated area can be searched without a warrant. All

the streets inside the security fence in Toronto, where the summit is being hosted, have been temporarily designated under the Public Works Protection Act.

<http://www.theglobeandmail.com/news/world/g8-g20/news/police-given-greater-arrest-powers-near-g20-security-zone/article1617664/>

Marching protestors, police face off in Toronto

<http://www.globaltvbc.com/money/Marching+protestors+police+face+Toronto/3206500/story.html>

More than 300 protesters charged amidst violent G20 protests

<http://www.globaltvbc.com/world/protests+Toronto+turn+violent/3206512/story.html>

The unreported catastrophe

Another legacy of the Bushbama administration

<http://www.brasschecktv.com/page/878.html>

G20 Toronto Police Rape Threats + Strip Searched - Amy Miller

http://www.youtube.com/watch?v=RcXhEd_mDt4&feature=player_embedded#!

CHINA

From a Fellow Subscriber:

Bob,

This is just for your information. The head of the NWO beast, the Rockefellers, are coming to china to make some big investments, which include real estate, IT, telecommunications and BIOPHARMACY!

China and its people are in BIG TROUBLE!

Below is the line to the news article in Chinese, if you can read it or find someone to translate it for you.

<http://finance.qq.com/a/20100629/000160.htm>

Looks like we have no where else to run to or hide any more.

Yours Truly,

EUROPE - LINKS

Spain's Debt Maturity Wave Hits Next Month And It's Already Obvious They Don't Have Enough Cash

<http://www.businessinsider.com/spain-debt-maturity-crunch-july-2010-6#ixzz0s0YsYIFz>

Swedish dockworkers boycott Israeli ships

<http://www.ynetnews.com/articles/0,7340,L-3909614,00.html>

German Defense Minister questions role of Nato in Afghanistan war

<http://www.independent.co.uk/news/world/europe/german-defence-minister-questions-role-of-nato-in-afghanistan-war-2013056.html>

CAR PARKING INGENUITY

This is truly amazing stuff!!!

BUDAPEST . Multiparker 730

http://www.woehr.de/en/projekte/budapest_m730/index.htm

HRW Report Says Britain, France, Germany Use Foreign Torture Intel

<http://www.almanar.com.lb/newsSite/NewsDetails.aspx?id=144225&language=en>

ENGLAND – LINKS

UK Prime Minister: '911 Twin Towers Blown Up' - David Cameron on BBC June 2010

<http://www.youtube.com/watch?v=8ubq1KZOYOk>

AUSTRALIA AND NEW ZEALAND – LINKS

More pain as banks prepare to pass on costs

<http://www.theage.com.au/business/more-pain-as-banks-prepare-to-pass-on-costs-20100628-zf6v.html>

HEALTH – LINKS

THIS IS INSANE ! VACCINES ARE DEADLY !!!!!!!

<http://www.blacklistednews.com/news-9441-0-6-6--.html>

CLEAR Water Tests Positive for Oil, Officials “Only Doing Visual Assessments”, "What You Can't See May Be More Dangerous"

<http://www.washingtonsblog.com/2010/06/florida-scientist-clear-water-tests.html>

U.S. government panel now pushing "vaccinations for all!" No exceptions

Monsanto, Big Brother of the New World Agricultural Order: An Interview With Marie-Monique Robin

<http://www.truth-out.org/monsanto-big-brother-new-world-agricultural-order-an-interview-with-marie-monique-robin60776>

U.S. government panel now pushing "vaccinations for all!" No exceptions...

http://www.naturalnews.com/029081_vaccinations_public_health.html

Choosing healthy foods now called a mental disorder

http://www.naturalnews.com/029098_orthorexia_mental_disorder.html

Airport body scanners deliver radiation dose 20 times higher than first thought, warns expert

<http://www.dailymail.co.uk/health/article-1290527/Airport-body-scanners-deliver-radiation-dose-20-times-higher-thought.html>

NEXT ISSUES

EVERY SATURDAY AND WEDNESDAY DURING THE MONTH OF JULY